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Daily Report

China

FBIS-CHI-93-239
Wednesday
15 December 1993

Daily Report

China

FBIS-CHI-93-239

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15 December 1993

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General

Daily Carries Qian Qichen Article on Global Image

OW 1512100393 Beijing XINHUA in English 0944
GMT 15 Dec 93

[Text] Beijing, December 15 (XINHUA)—China and Western countries have many common interests, and peace and development in the world need China, Chinese Vice-Premier and Foreign Minister Qian Qichen said.

In an article published in today's "PEOPLE'S DAILY" [RENMIN RIBAO], Qian said that it is impossible for any country to isolate China. Such a measure will only harm the country attempting to do so.

In an article titled "1993: The World Began To Understand China Afresh", Qian said that China had carried out reform and open policies and participated in international competition and cooperation for more than a decade.

China's socialist construction has not only aroused the enthusiasm of the people and raised their living standards, Qian noted, but also offered many good opportunities for foreign businessmen to expand business or invest in China's huge market.

The number of foreign-funded enterprises, joint ventures and cooperative enterprises has climbed to 150,000 since China initiated reforms, Qian said.

From January to October this year, according to Qian, the actual utilization of foreign investment reached 17.2 billion U.S. dollars.

While the West's economy is in a sustained recession, the potential of China's large market has gradually manifested itself, Qian said. He added that the facts show that China and the Western countries have many common interests.

Under the circumstances, Qian said, the Western countries have begun to understand China afresh. More and more people are coming to realize that the peace and development of the world need China, he said.

Qian also pointed out that relations between the Western countries and China were never established on the basis of common social systems, ideology or values, but rather on the basis of common interests.

He pointed out that China is willing to enhance mutual understanding and further develop equal and mutually-beneficial cooperation with all the countries in the world to make more contributions to the peace of the world and the civilized development of human beings.

In the article, the foreign minister also said that China's foreign policy of peace will remain unchanged no matter what changes take place in the international situation. "China is a peace-loving country. Chinese people always

have love for peace. China's development needs a peaceful international environment," Qian said.

He said it is absurd to argue that China, due to its rapid economic expansion, will constitute a threat to the world.

"In recent years China has made important achievements in the field of foreign relations," Qian said, and added that as many as 158 countries have established diplomatic ties with China.

China has strengthened its good-neighborly relations with nearby countries and enhanced relations of unity and cooperation with the developing countries.

Mutually beneficial cooperation with Western countries has also been improved through dialogues on an equal footing.

Qian said that a China characterized by peace, stability, prosperity and development is rising in the east of the world, catching the attention of more and more countries. New eyes are being used to look at China and re-evaluate its weight. The possible role China is to play internationally is being discussed now.

Qian said he believed that the idea that China has become the third biggest economic country next to the United States and Japan obviously does not conform to the reality in China.

He said China is still a low-income developing country, and will require unremitting efforts of several generations to grow moderately developed.

China's development calls for a peaceful international situation, Qian said.

China will never take part in any armament race, join any military bloc, seek any power sphere, nor move in the direction of hegemonism, Qian said, nor will it become a superpower.

"China has neither one soldier nor a military base abroad, posing no threat to any country," Qian said. "China will always be a force to protect world peace, even when it is stronger."

No matter what happens in the world, the vice-premier said, China's foreign policy of peace and the policy of fostering relations of friendly cooperation with other countries on the basis of the five principles of peaceful co-existence will not change.

UN Envoy Calls For Nonviolence in South Africa

OW 1512005193 Beijing XINHUA in English 0006
GMT 15 Dec 93

[Text] United Nations, December 14 (XINHUA)—China today called for non-violence in South Africa.

Ambassador Li Zhaoxing, permanent representative of China to the United Nations, made the statement at today's General Assembly.

"At present, the peace process is still faced with many difficulties," Li said.

"The continued occurrence of violence has posed threat to the peace process," he noted.

He said that China condemns any attempt to undermine the peace process.

"We sincerely hope that all the parties in South Africa will bury their hatchet, overcome difficulties, adopt effective measures to stop violence," he said.

The General Assembly is having debate on elimination of apartheid, establishment of united, democratic, non-racial South Africa in recent two days.

Many other speakers also expressed concern at the continuing violence in the country.

Jiang Accepts Three New Ambassadors' Credentials

OW1512092793 Beijing XINHUA in English 0841 GMT 15 Dec 93

[Text] Beijing, December 15 (XINHUA)—Chinese President Jiang Zemin accepted credentials from newly appointed ambassadors of three countries to China on separate occasions at the Great Hall of the People here this afternoon.

The new ambassadors are Protais Bigirimana of Burundi, T.H. Willem Woutersz of Sri Lanka, and Khek Sisoda of Cambodia, who arrived here on October 19, November 23, and December 2, respectively.

Li Lanqing To Attend Education Summit in India

OW1412052093 Beijing XINHUA in English 0502 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Vice Premier Li Lanqing left here Monday [13 December] at the head of a Chinese Government delegation to attend the EFA (Education For All) summit of 9 high population developing countries to be held from December 15 to 16 in New Delhi, India.

His delegation will submit to the meeting a government report of the current situation and development strategies of education for all in China, and Li himself will address the meeting on behalf of the Chinese Government.

Among those who saw Li and his delegation off at the airport were Minister of the Chinese State Education Commission Zhu Kaixuan, Indian Ambassador to China Chandrashekhar Das Gupta, and officials of the United Nations Development Program, the United Nations Populations Fund, the United Nations Children's Fund

and the Representative Office in China of the United Nations Educational, Scientific and Cultural Organization.

Foreign Ministry Hosts New Year Reception 14 Dec

OW1412125993 Beijing XINHUA in English 1201 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Foreign embassy press attaches and foreign correspondents based in Beijing, together with their Chinese counterparts, attended a new year reception hosted by the information department of the Chinese Foreign Ministry here today.

About 200 people attended the reception. Among them were Chinese vice-foreign ministers Tian Zengpei and Yang Fuchang.

In his toast, Tian described the year 1993 as important in the history of China.

He noted that China's reform and opening to the outside world is developing and its economy growing steadily. Great progress has also been made in its diplomatic work, he added.

Tian said: "In the coming year, we will continue to pursue an independent foreign policy of peace, enhance and expand cooperation and exchanges with countries all over the world on the basis of equality and mutual benefit and contribute to world peace and development."

He said in the present more interdependent world, China needs to understand the world while the world needs to know more about China, adding that the media circles are playing an important role in deepening mutual understanding.

He expressed the hope that in the coming year, peace will be brought to every part of the world and happiness to the people.

Central Eurasia

NPC Vice-Chairwoman Meets Ukrainian Officials

OW1412125093 Beijing XINHUA in English 1234 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Chen Muhua, vice-chairwoman of the National People's Congress (NPC) Standing Committee, met here today with a Kiev municipal government delegation headed by Leonid Grigorovich Kosakivskyy.

During their meeting, Chen and Grigorovich, representative of the president to Kiev and mayor appointed by the president, exchanged views on how to enhance friendship between the two countries and their capital cities.

The eight-member delegation arrived here Sunday [12 December] on a five-day visit in Beijing as guest of the Beijing municipal government.

Beijing Mayor Li Qiyang and Grigorovich signed an agreement yesterday on establishing relations of sister-cities between Beijing and Kiev.

China, Russia To Build Cross-Border Bridge

OW1512024793 Beijing XINHUA in English 0156
GMT 15 Dec 93

[Text] Harbin, December 15 (XINHUA)—China and Russia are to build a pontoon bridge on their border in the Far East, following China's official approval of an accord reached between the two sides in April last year.

The bridge will connect the cities of Mohe in China and Dzhalinda in Russia.

The terms negotiated in the agreement state that Russia will supply all the materials and technology needed for the construction project.

The bridge is expected to enable Mohe, in northeast China's Heilongjiang Province, to import and export goods by land the whole year round, instead of by water in summer and by land in winter, as now.

This in turn is expected to help simplify border transportation procedures and reduce transportation costs as well as increase the handling capacity of cargo for both cities.

Russian Communists To Cooperate in New Parliament

OW1412185293 Beijing XINHUA in English 1824
GMT 14 Dec 93

[Text] Moscow, December 14 (XINHUA)—Gennadiy Zyuganov, leader of the Russian Communist Party, said today that his party is going to cooperate with whatever forces in the new parliament.

Speaking at a news conference, Zyuganov said his party's priority tasks were to guarantee Russia's territorial integrity and the restoration of the fraternity of the peoples of former Soviet republics, safeguard peace, prevent a civil war and ensure the welfare of every family.

About the results of the Sunday [12 December] elections, he said his party honored the will expressed by the people. According to the preliminary data released by the Central Electoral Commission today, the party ranks the third among the 13 running coalitions with 11.16 percent of the votes.

In the new parliament, Zyuganov said, the Communist Party is going "to a constructive dialogue among all the political forces for the sake of the country's civilized development."

"We shall interact, as before, with representatives of the Agrarian Party, the Russian Christian-Democratic Movement, with Sergey Baburin's Russian National Union and with supporters of the former 'Homeland' faction," the Communist Party's leader said, believing that such a union will greatly enhance the party's chances.

Zyuganov also said his party is close in many respects to the stand of the Democratic Party of Russia.

The Communist Party is expected to win 30 to 32 seats in the new parliament, and about 30 seats from one-mandate districts, news media here said.

On success of the Liberal Democratic Party (LDP) led by Vladimir Zhirinovskiy, Zyuganov said his party is ready to cooperate with LDP members, who back the priorities of the communists.

He believes that Deputy Prime Minister Sergey Shakhrai and Zhirinovskiy are expected to be the candidates to the post of state duma (lower house) chairman. The communists will back the candidate who is not susceptible to extremes and will be able to promote an effective dialogue among factions in the parliament.

Commenting on First Prime Minister Yegor Gaidar's statement that his "Russia's Choice" bloc could cooperate with the communists in some areas, Zyuganov stressed "My party will back only a coalition that wants to revive Russia and only in this case shall we be ready to start talks with anybody."

Northeast Asia

Column Views 'Policy Readjustments' by DPRK

HK1412131193 Hong Kong I A KUNG PAO in Chinese
14 Dec 93 p. 3

["Political Talk" column by Shih Chun-yu: "DPRK Is Pursuing a Policy of the 'Three Firsts'"]

[Text] Government Acknowledges Economic Difficulties For First Time

The Sixth Session of the Ninth DPRK Supreme People's Assembly has concluded, with Kim Yong-chu and Kim Pyong-sik elected state vice presidents along with other personnel reshuffles. Prior to this, the Pyongyang authorities acknowledged for the first time that the country's economy was in a difficult situation. When those two new items were linked together, it shows that Pyongyang has adopted a new policy to face the comparatively serious political and economic situation resulting from its economic difficulties.

As everyone knows, Kim Yong-chu (71) is a Political Bureau member of the Workers Party of Korea [WPK] and a blood brother of President Kim Il-Song. Kim

Pyong-Sik (76) is chairman of the Korean Social Democratic Party and a former vice chairman of the (Japan-based) United Korean Federation. The promotion of these two senior statesmen aims, primarily, to strengthen opening up to the outside world and economic reform, and secondly, to relax some internal contradictions arising from the problematic economic situation.

Inside Story of Kim Yong-Chu's Promotion

The majority of observers believe that the appointment of Kim Yong-Chu to an important post 18 years later is due to the fact that President Kim Il-Song felt it was imperative to augment the arrangements for the leadership tier under the present difficult situation in Korea; Kim Yong-Chu is the president's own younger brother and is naturally trustworthy. The appointment would be helpful to maintaining political stability as well as support for Kim Chong-Il, the heir apparent to the president.

Kim Pyong-Sik became vice chairman of the United Korean Federation in 1966 and returned to Korea in 1972; he enjoyed high prestige among overseas Koreans in Japan. The promotion of Kim Pyong-Sik will push the opening up policy and will have some appeal in attracting overseas Koreans in Japan to invest in the DPRK.

The greatest practical difficulty for the DPRK is its isolation in the international community. In the wake of the disintegration of the USSR, Moscow ended its economic aid to the DPRK, which must spend hard currency to import essential foreign goods and equipment such as oil and industrial raw materials, and its industrialization has been greatly affected; in addition, there are short supplies of various goods and materials for the people's subsistence, and this has been hard on their livelihood. The "Spirit of Chon I Ma," which President Kim Il-Song is so proud of, faces a new situation today. In a report delivered to the plenary session of the WPK Central Committee on 8 December, Premier Yon Hyong-Muk announced that the 1987-1993 Seventh Plan for Economic Construction had failed, and an immediate change in the economic line. The main contents are: First, to scale down the scope of economic construction and strengthen economic independence, which means to give priority to developing agriculture, and second, to change foreign economic policy and strengthen foreign trade.

Yon Hyong-Muk analyzed the causes of failure in the seven-year economic plan: First, the disintegration of the USSR and the collapse of the former markets of the East European socialist countries; and second, the strengthening of military construction resulted in greater financial burdens.

The Three Firsts: Agriculture, Light Industry, and Foreign Trade

As a strategy for resolving these two difficulties, first it is necessary to strengthen economic independence, and

second, the DPRK is determined to develop export-oriented economic relations in order to be compatible with the changed internal and external environment. Policy readjustments will be implemented in the next two to three years, with the focus on "the three firsts," namely: "Giving priority to agriculture, light industry, as well as trade."

To work in coordination with the aforementioned economic readjustments, Pyongyang will inevitably change its nuclear policy and foreign affairs stance. From now on, Pyongyang will surface in the world with a comparatively new image.

This being the case, the United States should not frequently put pressure on Pyongyang on the nuclear issue, but should enthusiastically improve its relations with Pyongyang, develop trade, and provide Pyongyang with economic aid. Japan and the ROK should do so all the more. Only then will they be more effective in helping the DPRK advance toward the international community.

The important changes in current DPRK policy are noteworthy.

Underwater Fiber Optic Cable With Japan Operational

OW 151241393 Beijing XINHUA in English 1645 GMT 15 Dec 93

[Text] Shanghai, December 15 (XINHUA)—The first China-Japan underwater fiber optic cable today started operation, promising to raise China's international communications capacity by 60 percent.

The opening ceremonies held both in Shanghai and Tokyo were aired on television via the cable, which stretches from Shanghai to Miyazaki of Kyushu in Japan.

The 1250-kilometer cable, providing 7,860 communications lines, has a capacity 15 times that of the undersea coaxial cable built in 1976 between the two countries.

For the construction of the cable, an agreement was signed in December 1991 between China, Japan and the United States. Technicians from the three countries have spent eighteen months completing the project.

China's director general of telecommunications, the American Telephone and Telegraph Company and Kokusai Denso Denwa Co. Ltd. of Japan cooperated in the 77-million-U.S. dollar project.

By this year end, it will be linked to cable networks spanning the Pacific, Atlantic, Asian and Oceanic regions.

Experts predicted that, as a link connecting Shanghai with Japan and the United States, the China-Japan submarine cable will play a positive role in pushing the metropolis onto the world stage.

The new cable will ease the current shortage of communications lines. China's international telephone business has jumped at an average annual rate of 60 percent in keeping up with its booming economy.

Southeast Asia & Pacific

Cambodia's Ranariddh To Visit Sihanouk in Beijing

OW1512094093 Beijing XINHUA in English 0812 GMT 15 Dec 93

[Text] Phnom Penh, December 15 (XINHUA)—Cambodia's first prime minister Prince Norodom Ranariddh will visit Beijing on December 19 to see King Norodom Sihanouk. Secretary of State of Information Khieu Kanharit announced here this morning.

Ranariddh would leave for Bangkok first on December 17, the secretary said.

Kanharit said he had no idea if Khmer Rouge leader Khieu Samphan would go to Beijing too and would meet the first prime minister there.

President of the National Assembly and Acting Head of State Chea Sim will also make a trip to Beijing on December 25 to see King Sihanouk, he said.

The king is now receiving a chemotherapy treatment for cancer in Beijing.

Sihanouk said recently that he could return home in March or April, rather than in May or in June as scheduled before, provided that his treatment in Beijing proves to be effective through its six and final stage and his health condition is as good as today.

Vietnam's Du Muoi Receives General Yu Yongbo

OW1512053293 Beijing XINHUA Domestic Service in Chinese 1604 GMT 5 Dec 93

[By reporter Zhang Jiaxiang (1728 0502 4382)]

[Text] Hanoi, 5 Dec (XINHUA)—Do Muoi, general secretary of the Vietnamese Communist Party (VCP), met this afternoon with visiting General Yu Yongbo, director of the General Political Department of the Chinese People's Liberation Army, and his delegation. The two sides held cordial and friendly talks.

At the meeting, Do Muoi said: China has achieved great success in its reform and opening up and its economic development. The people's living standards have been improved, and national defense has been consolidated. This is not only China's victory, but also a significant contribution to the people of this region and the world.

Do Muoi said: Peace and development are a common wish and general trend of the world. As both of our countries focus on economic development, we need

peace and stability. We hope that this region and the world will have a longer period of stability.

Do Muoi said: Vietnam and China share a fundamental common concern. The historical issue of the border territory will be settled fairly and reasonably through consultations.

He requested Gen. Yu Yongbo to convey his cordial regards to General Secretary Jiang Zemin and other Chinese leaders.

Yu Yongbo conveyed the greetings of Jiang Zemin and other Chinese leaders, and also gave a briefing on China's reform and opening up and Army construction.

He said that during their visit, the delegation was very pleased to see the outstanding achievements of the Vietnamese people in their undertakings in reform and opening up. He expressed the hope that the Chinese and Vietnamese Armies will frequently keep in contact, strengthen exchanges, and further develop friendly relations.

Gen. Le Kha Phieu, secretary of the VCP Central Committee and head of the General Political Department of the Vietnamese People's Army; Do Van Tai, deputy head of the External Relations Commission of the VCP Central Committee, and Zhang Qing, Chinese ambassador to Vietnam, were present at the meeting.

Doan Khue, member of the Political Bureau of the VCP Central Committee and minister of national defense, also met with Yu Yongbo and his party this afternoon.

Yu Yongbo and his party are expected to leave Hanoi tomorrow for a visit to southern Vietnam, and to conclude the official friendly visit on 8 December.

Wu Xueqian, CPPCC Delegation Arrive in Thailand

OW1312182093 Beijing XINHUA Domestic Service in Chinese 1615 GMT 11 Dec 93

[By reporter Yu Zuncheng (0060 1415 2052)]

[Text] Bangkok, 11 Dec (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC), led by Wu Xueqian, vice chairman of the CPPCC National Committee, arrived in Bangkok this evening for an eight-day goodwill visit to Thailand.

Wu Xueqian issued a written statement at the airport, in which he said: Friendly exchanges have existed between China and Thailand from time immemorial. The Chinese Government and people highly value the friendship between the two countries. He expressed the belief that under the joint efforts of the two governments and peoples, friendly and cooperative relations between the two countries will definitely be consolidated and developed further. This is vitally significant for safeguarding peace and stability in the Southeast Asian region.

The Chinese CPPCC delegation is paying a goodwill visit to Thailand at the invitation of Thai Senate Speaker Michai Ruchuphan.

Thai Prime Minister Receives Group

OW1512040793 Beijing XINHUA in English 0314
GMT 15 Dec 93

[Text] Bangkok, December 15 (XINHUA)—Thai Prime Minister Chuan Likphai met here Tuesday [14 December] Wu Xueqian, vice chairman of the Chinese People's Political Consultative Conference and the delegation he led.

During a friendly meeting, Chuan recalled that in his August visit to China, he was pleased to see that China's economy had been growing rapidly and the living standard of the Chinese people had greatly improved.

The prime minister saw China as one of the countries in the world that have the most rapid economic growth.

Chuan added that Thailand and China have close ties and there have been more exchanges of visits.

He expressed the belief that the friendly ties between the two nations would further develop.

Wu said in reply that China and Thailand, both are engaged in economic construction, have many points in common and have a lot to learn from each other.

He said more exchange of visits will promote friendship and cooperation between the two sides.

Li Ruihuan Meets Thai Guest in Chengdu

OW1112162393 Beijing XINHUA in English 1545
GMT 11 Dec 93

[Text] Chengdu, December 11 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with Norrarat Tangpakorn, president of the Thai-Chinese Journalists' Welfare Fund of Thailand, here this evening.

Li, who has just returned following a tour of three South Asian nations, watched a Chinese opera, "The Red Guards of the Honghu Lake", performed by the Sichuan Provincial Song and Dance Ensemble together with Tangpakorn, also vice-president of the Chinese Culture Promotion Association and advisor to the Sichuan Provincial People's Government.

Tangpakorn has raised a total of 480,000 yuan to help the province stage the opera. From September this year, the artists in the province have given 25 performances to audiences totalling more than 30,000 people.

After tonight's performance Li and Tangpakorn received the artists and had a picture taken together with them.

Li spoke highly of the assistance that Tangpakorn has offered for the opera, saying that it is not only significant economically, but also a good way to display Chinese culture.

He urged arts workers to overcome difficulties and inherit China's fine national culture.

Xie Shijie, secretary of the Sichuan provincial party committee, and Ni Ronggui, chairman of the Sichuan Committee of the CPPCC, were present on both occasions.

West Europe

Turkish Minister Discusses Trade Ties

OW1212012893 Beijing XINHUA Domestic Service in Chinese 1406 GMT 9 Dec 93

[By reporter Xu Wenqun (1776 2429 5028)]

[Text] Ankara, 9 Dec (XINHUA)—Ibrahim Tez, Turkey's Minister of State in charge of China affairs, said here today Turkey is pleased to see China has achieved high-speed development over the last decade. He expressed the belief China will become an important country in the 21st century—the Asia-Pacific Century.

He made the above remark while meeting with Zheng Hongye, chairman of the China Council for the Promotion of International Trade, who is attending the Second Joint Conference of the Sino-Turkish Entrepreneurs Council.

Tez envisaged bright prospects for the development of Sino-Turkish relations. He added that while developing trade relations, the two countries should enhance cooperation on specific economic and technological projects.

The Sino-Turkish Entrepreneurs Council held its second joint conference in Turkey's biggest city Istanbul on 6 and 7 December. The joint communique adopted at the conference pointed out the need for China and Turkey, two rising and market economy-practicing countries, to further strengthen cooperation and strive for the development of bilateral economic and trade relations.

Chen Muhua Meets French Women's Union Head

OW1012132393 Beijing XINHUA in English 1240
GMT 10 Dec 93

[Text] Beijing, December 10 (XINHUA)—Chen Muhua, vice-chairwoman of the National People's Congress (NPC) Standing Committee and president of the All-China Women's Federation, met here today with Sylvie Jan, visiting general secretary of the French Women's Union.

During their meeting in the Great Hall of the People, Chen and Jan exchanged views on how to enhance the friendship and cooperation between the women of the two countries.

Jan and her party arrived here Thursday [9 December] on an eight-day visit to China as guests of the All-China Women's Federation.

Latin America & Caribbean

Castro To Visit China 'Beyond January'

OW 1512024493 Tokyo KYODO in English 0207 GMT 15 Dec 93

[Text] Havana, Dec. 14 KYODO—President Fidel Castro Ruz is planning to visit China as the first Cuban head of state to do so, a high-ranking Foreign Ministry official said Tuesday [14 December].

Chinese President and Communist Party leader Jiang Zemin visited Cuba late last month for the first time and invited Castro to visit China "in the near future," the official said.

Castro's China visit will be the top priority for Cuba's diplomatic timetable beyond January, the official said.

Havana and Beijing, however, have not yet decided on the timing of Castro's visit, the official said.

Castro led the 1959 Cuban revolution and in 1976 took office as Cuba's head of state and government with the title of president of the Council of State.

Brazilian Senate Head Lauds Jiang Zemin Visit

OW 1412131493 Beijing XINHUA in Chinese 0609 GMT 8 Dec 93

[By reporter Zhao Xiaozhong (6392 2556 6988)]

[Text] Brasilia, 7 Dec (XINHUA)—Lucena, president of the Brazilian National Congress and Senate, said here today: The recent visit by PRC President Jiang Zemin to Brazil was very successful. It fully reflected China's sincerity and conviction in developing friendly Brazilian-Chinese relations.

Lucena made the statement while meeting Shen Yunao, outgoing Chinese ambassador to Brazil, who bid farewell to him at the Brazilian Senate.

Lucena said: Since the start of reform and opening up, China has made great leaps in economic development, and its international status and prestige is increasing with each passing day. He believed that China has set an example for the world and Brazil in this respect. The grand welcome accorded to President Jiang Zemin by the Brazilian National Congress during his visit to Brazil fully manifested the respect for him and China.

Further Reportage on Guyanese President's Visit

Holds Beijing News Conference

OW 1412134093 Beijing XINHUA in English 1316 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Visiting Guyanese President Cheddi Jagan said here today that developing countries like Guyana can benefit from China's experience in reform and opening to the outside world.

At a press conference this afternoon at Diaoyutai State Guesthouse, Jagan said that his countrymen "have witnessed the great progress China has achieved in reform and opening up."

Prior to the press conference, He Guanghui, Chinese vice-minister of the State Commission for Restructuring the Economy, briefed Jagan on China's reform and opening.

Jagan told the press conference that he was so interested in China's experience that he had decided to extend their meeting.

The Guyanese president said that during his stay in Beijing, he had talks with Chinese leaders at the highest level, and members of his entourage also held discussions with officials from various Chinese ministries.

Jagan said that China has not only maintained a high economic growth rate, but also upheld social justice.

The president said he hoped that his visit would strengthen bilateral ties and that China's experience in reform and economic construction will help his country not only in economy, but also in social development as well.

The president is scheduled to leave Beijing for Hainan and Guangdong provinces, both at the forefront of China's reform and opening drive.

Departs Beijing for Haikou

OW 1512033993 Beijing XINHUA in English 0245 GMT 15 Dec 93

[Text] Beijing, December 15 (XINHUA)—Visiting Guyanese President Cheddi Jagan left here by special plane this morning for Haikou, capital of south China's Hainan Province, to continue his China visit.

The Guyanese president was accompanied by Zhang Chunyuan, chairman of the Chinese Government reception committee and vice-minister of water resources.

President Jagan has been here since December 12 for a six-day state visit to China at the invitation of Chinese President Jiang Zemin.

Political & Social

Li Peng Meets 'Outstanding Youth' in Government

OW1512134593 Beijing XINHUA in English 1334
GMT 15 Dec 93

[Text] Beijing, December 15 (XINHUA)—Chinese Premier Li Peng today met with 110 outstanding youth working in central government departments.

Li Peng, stressing the importance of the younger cadres for the future of the country, urged the youth to study the Third Volume of the *Selected Works of Deng Xiaoping* earnestly and to contribute more to economic reforms and construction.

He called on them upholding the good traditions of the youth in central government departments, raising working efficiency and playing an active role in the anti-corruption struggle.

Sponsored by the work committee of the central government departments under the Central Committee of the Chinese Communist Party, the selection of the excellent young officials started last May from among the 320,000 young officials and employees in central government departments.

Li Tieying, Zou Jiahua, Qian Qichen, Chi Haotian and Li Guixian attended the meeting.

Wei Jianxing Attends CPC Anticorruption Meeting

OW1512063093 Beijing XINHUA Domestic Service in Chinese 0850 GMT 13 Dec 93

[By reporter Chen Yan (7115 7159)]

[Text] Beijing, 13 Dec (XINHUA)—The Work Committee for Organs Under the CPC Central Committee this morning held a meeting in Beijing to report on anticorruption work, to report on progress in anticorruption efforts, to exchange anticorruption experiences in the preceding stage of organs directly under the CPC Central Committee, and to urge all units to further step up their efforts to improve the party work style and administrative honesty and to increase the depth of the anticorruption struggle.

Those attending the meeting included Wei Jianxing, member of the CPC Central Committee Political Bureau and secretary of the Central Discipline Inspection Commission; Hou Zongbin, deputy secretary of the Central Discipline Inspection Commission; major responsible administration officials of various units directly under the CPC Central Committee; secretaries and full-time deputy secretaries of the party committees of organs under the CPC Central Committee; secretaries of the discipline inspection commissions of organs under the CPC Central Committee; and heads of the discipline

inspection groups sent by the Central Discipline Inspection Commission to various departments and commissions of organs under the CPC Central Committee.

At the meeting, Zeng Qinghong, director of the General Office of the CPC Central Committee and secretary of the Work Committee for Organs Under the CPC Central Committee, delivered a speech entitled "Earnestly Carry Through the Central Authorities' Plan and Continue To Increase the Depth of the Anticorruption Struggle." He said: Since the central authorities laid down the anticorruption plan, the great majority of units of organs directly under the CPC Central Committee have been swift and steadfast in relaying and carrying out the plan. As of the end of October, all units had basically wrapped up their self-inspection and self-discipline work. In compliance with the central authorities' policy banning party and government organs from engaging in business activities, from operating economic entities, and from collecting fees without proper authorization, all units had reviewed matters concerning running economic entities and unwarranted fee collections, and news media units had focused on banning "news stories for pay" as a key step to correct unhealthy practices. They have achieved results to some extent. At the same time, most units had placed importance on investigating corruption-related cases and had strictly dealt with cases involving violations of the law or discipline.

On the next-step anticorruption work, Zeng Qinghong pointed out: We should step up study and education in the anticorruption struggle to enhance party members and cadres' awareness and resoluteness in fighting corruption and in promoting administrative honesty. We should see to it that leading cadres truly examine themselves and correct their mistakes. We should seriously and strictly deal with cases involving violations of the law and discipline and truly solve problems concerning violations of the central authorities' policy. We should solve problems by looking into their root causes and symptoms, step up our efforts to improve administrative honesty, and strengthen internal supervision and checking mechanisms, to curb from the roots the breeding and spreading of corruption. Zeng Qinghong added: All departments and commissions must insist on "tightly grasping with both hands" and, while ensuring that their routine work is properly carried out, should regard work on fighting corruption and improving the party work style and administrative honesty as an important part of their work agendas. They should strengthen their leadership over discipline inspection and supervision organizations, support them in carrying out their duties, and help them solve difficulties and problems in investigating and dealing with corruption-related cases.

The Propaganda Department of the CPC Central Committee, the XINHUA news agency, and the Central Party School separately made a report at the meeting on how they had carried out the central authorities' plan and on their work in fighting corruption. Today's meeting was

presided over by Gu Yunfei, executive deputy secretary of the Work Committee for Organs Under the CPC Central Committee.

RENMIN RIBAO Article on Deng's Works

HK1512103793 Beijing RENMIN RIBAO in Chinese
13 Dec 93 pp 1, 3

[Article by Zheng Bijian, Gong Yuzhi, and Pang Xianzhi: "On the Political and Theoretical Significance of Volume 3 of the *Selected Works of Deng Xiaoping*"]

[Text] Volume 3 of the *Selected Works of Deng Xiaoping* has been published. This is a major event deserving celebration by the whole party, the entire army, and people of all nationalities across the country. The CPC Central Committee adopted a "Decision on the Study of Volume 3 of the *Selected Works of Deng Xiaoping*, and Comrade Jiang Zemin made an important speech in this regard. A large-scale upsurge of conscientiously studying these works and integrating theory with practice is developing.

How should we understand the political and theoretical significance of Volume 3 of the *Selected Works of Deng Xiaoping*? We feel this is an extremely important question which we should earnestly grasp. It is extremely important because an understanding of the significance of these works essentially concerns the following question: It is now the 1990's; the PRC has been founded for 44 years, and 15 years have passed since the Third Plenary Session of the party's 11th Central Committee. To what extent or degree has the CPC, the largest Communist Party in the world and the ruling party of a big country with a population of 1.17 billion, understood the law of how to build socialism in China?

Therefore, deepening our understanding of the political and theoretical significance of Volume 3 of the *Selected Works of Deng Xiaoping* will be conducive to further enhancing our scientific confidence in the great cause of building socialism with Chinese characteristics and to our resolute upholding of the party's basic line of "one central task and two basic points."

On this question, we would like to raise 15 points of understanding in five parts for discussion with all of you.

I. The Best Teaching Material and Most Powerful Weapon for Educating People and Unifying Their Thinking

1. A talk made by Comrade Deng Xiaoping while inspecting south China in early 1992:

A congress, the 14th party congress in October 1992:

A book, the just-published Volume 3 of the *Selected Works of Deng Xiaoping*. The three related major events have produced, are producing, and will certainly produce a tremendous, far-reaching influence on the development of the situation in China, and the future and destiny of China's socialism.

The talk in south China and the 14th party congress marked the beginning of a new historical period of the accelerated pace of China's socialist reform, opening-up, and modernization drive.

The 14th party congress was guided by the guidelines laid down in the talk in south China. The congress laid down the objectives and programs for accelerating the pace of reform, opening-up, and construction. It reached a solemn conclusion on the basic line and a series of strategic policy decisions made by the second-generation collective leadership with Comrade Deng Xiaoping at the core since the Third Plenary Session of the party's 11th Central Committee; made a scientific appraisal of Deng Xiaoping's theory of building socialism with Chinese characteristics; and set the strategic task of arming the entire party with this theory.

The strategic task has been set forth. But what were we going to use for teaching material? Of course, the best teaching material is Comrade Xiaoping's own works. This is why calling for editing and publishing a new volume of the *Selected Works of Deng Xiaoping* became the powerful voice of the entire party.

2. Two other volumes of the *Selected Works of Deng Xiaoping* were published earlier. Works published after the 12th Party National Congress include two pamphlets—"Build Socialism with Chinese Characteristics" (revised and enlarged edition) and "Comrade Deng Xiaoping's Important Talks During February-July 1987"—plus relevant press reports and inner-party circulars. These pamphlets, reports, and circulars have played a very good role. However, they are still very different from a complete volume of selected works in terms of overall scale, degree of comprehensiveness and accuracy, and compilation efforts.

It is alright now as we have Volume 3 of the *Selected Works of Deng Xiaoping*. The book, containing Comrade Xiaoping's works during the 10 years of 1982-1992, was compiled under his personal guidance, and every article in it was examined by him. The book has a consistent train of thought, forming a coherent whole. Properly dealing with realistic problems, it reads like a new book.

3. In Comrade Jiang Zemin's speech, there are two important passages on the political and theoretical significance of Volume 3 of the *Selected Works of Deng Xiaoping*.

One passage reads: "The publication of Volume 3 of the *Selected Works of Deng Xiaoping* has given us the best teaching material and the most powerful weapon for further arming the whole party with the theory of building socialism with Chinese characteristics, for educating the cadres and the people, for uniting our thinking and firming our conviction, and for actively, comprehensively, and correctly implementing the party's basic line.

The other passage reads: "Comrades, studying Volume 3 of the *Selected Works of Deng Xiaoping* and gaining an in-depth understanding and comprehension of the basic

experience accumulated, the basic theories established, and the basic line formulated during the course of pioneering brand-new undertakings by the second-generation central collective leadership with Comrade Deng Xiaoping as its core, will definitely enable all comrades of our party to be even more full of confidence, to better accomplish the tasks of the nineties, and to march triumphantly toward the 21st century."

We understand that Volume 3 of the *Selected Works of Deng Xiaoping* is precisely what we need now in educating cadres and the people. Besides, it is of even more far-reaching significance.

Since the Third Plenary Session of the 11th CPC Central Committee, the second-generation central collective leadership with Comrade Deng Xiaoping as its core has united the whole party and people across the country, walked out of the crisis and hesitation caused by the "Great Cultural Revolution" and "two whatevers," and pioneered the brand-new undertakings of socialist reform, opening up, and modernization. Comrade Xiaoping has always attached great importance to the succession of the new to the old in the party leadership and in cadre ranks. He expressed his retirement wish as early as before the 13th Party National Congress. After the 13th Party National Congress, he kept expecting an early succession of the new to the old. During the period from the Fourth Plenary Session to the Fifth Plenary Session of the 13th CPC Central Committee, he prepared to and did hand over the helm to the third-generation central collective leadership. The handover was of his duties and even more the party's line. In his letter of resignation to the CPC Central Committee Political Bureau, Comrade Xiaoping said, "As an old party member and senior citizen who has struggled several decades for the communist cause and for the country's independence, reunification, construction, and reform, my life belongs to the party and the state. After retire, I will continue to be loyal to the cause of the party and state." In his speech when leaving the leading post of the Central Military Commission, he said, "Although I have left the army and retired, I continue to pay close attention to the cause of the party and state, and to the army's future." As a concentrated embodiment of such a lofty spirit, Comrade Xiaoping has made a systematic summation of "the basic experience accumulated, the basic theories established, and the basic line formulated during the course of pioneering brand-new undertakings by the second-generation central collective leadership" in his talk during his southern China inspection tour, as well as in the new volume of the *Selected Works of Deng Xiaoping*, in which he decided to include the talk as the last article. We may say that Comrade Xiaoping has seriously dedicated this extremely important volume of his works to the new central collective leadership and key leading cadres at all levels, as well as to the whole party and people across the country. He hopes that the book can help the party and people understand and uphold the party's basic line even better, and make them persevere for 100 years until our strategic objective of socialist

modernization is basically realized in the middle of the next century, no matter what will happen, expected or unexpected, international or domestic, political or economic.

For this reason, the finalization and publication of Volume 3 of the *Selected Works of Deng Xiaoping* has "expressed the earnest expectation and entrustment placed by the proletarian revolutionaries of the older generation on the younger generation," just as Comrade Jiang Zemin has said. It is an historic entrustment taking into account the realities as well as the needs of the 21st century.

4. Discussing the theoretical aspect in particular, we would like to further emphasize that Volume 3 of the *Selected Works of Deng Xiaoping* fully reflects the concrete course traversed and theoretical fruits gained by the CPC since the Third Plenary Session of the 11th CPC Central Committee, especially since the 12th CPC National Congress in 1982, in grasping the overall situation and understanding, through difficulties but with successes, the law governing China's socialist modernization drive.

The 14th congress report points out, Deng Xiaoping's theory of building socialism with Chinese characteristics "has for the first time given preliminary but systematic answers to a series of basic questions about how to build, consolidate, and develop socialism in a country with a backward economy and culture like China. It has also developed Marxism by introducing new ideas and viewpoints." It is "the product of the integration of the fundamental tenets of Marxism-Leninism with the reality of present-day China and the special features of our times, a continuation and development of Mao Zedong Thought," and "Marxism in contemporary China."

Volume 3 of the *Selected Works of Deng Xiaoping*, together with the 1975-82 volume published earlier, contains the cornerstone works of Marxism in contemporary China, as well as works symbolizing the development of Marxist theories into a new stage in China.

II A Decade-Long Course of Understanding, Through Difficulties But With Successes, the Law Governing China's Socialist Modernization Drive

5. The 10-year period covered in Volume 3 of the *Selected Works of Deng Xiaoping* can be summarized from different aspects. The aspect underscored here is that these 10 years are a decade in which the CPC, under the collective leadership of the second-generation central leaders with Comrade Deng Xiaoping as the nucleus, came to understand, through difficulties but with successes, the law governing China's socialist construction drive.

In discussing the successes in understanding the law governing China's socialist modernization drive, it is necessary to take a look at Volume 3 as a whole. The first article in the book, which is the opening speech to the

12th CPC National Congress, calls for understanding the "law governing China's socialist construction" and proposed China "take its own road and build socialism with Chinese characteristics," thus setting the keynote for Comrade Xiaoping's entire theories and practices throughout the 10 or 15 years. The last article, which consists of his talks during the southern inspection tour and which represents the summation, elaboration, development, and deepening of Comrade Xiaoping's entire theoretical ideas, forms a definite scientific system of ideology. The basic viewpoints stated in the talks during the southern inspection tour are not only linked to those in Comrade Xiaoping's talks to central responsible comrades on six occasions since 1989 (namely "Form a Promising Leading Collective Committed to Reform," "A Pressing Matter of the Moment for the Third-Generation Collective Leadership," "With a Stable Policy of Reform and Opening Up, China Is Full of Promise," "The International Situation and Economic Problems," "Be Good at Taking Advantage of the Opportune Time to Solve Problems in Development," and "Sum Up Experiences and Use Capable People"), but these viewpoints also run through the entire volume. Comrade Xiaoping has attached great importance to the continuity of his works, which is a way of forming theoretical ideas into a definite scientific system of ideology. The keynote is played repeatedly from beginning to end throughout the book, continually elaborating the contents and deepening ideology, thus enabling readers to obtain increasingly substantive and penetrating understanding of the law.

6. In discussing the successes in understanding the law governing China's socialist modernization drive, it is also necessary to review the entire course of events in the decade. During the decade, China indeed took giant strides and achieved major breakthroughs in its brand new undertaking of socialist reform, opening up, and modernization construction.

A giant step forward was taken between the 12th CPC National Congress and the Third Plenary Session of the 12th CPC Central Committee; another from the Third Plenary Session of the 12th CPC Central Committee to the 13th CPC National Congress; and still another from the 13th CPC National Congress, through the Fourth Plenary Session of the 13th CPC Central Committee, until the talks during the southern inspection tour. The talks during the tour and the 14th CPC National Congress have opened up a new historical stage of accelerating the pace of reform, opening up, and modernization construction.

During the decade, while carrying out our undertakings we achieved important breakthroughs in the following three aspects:

The first is the new progress made in reform. If we say the emphasis on reform in the first five years was mainly laid on rural areas and on implementing the household responsibility system of linking remuneration to output, the focus of reform in the ensuing 10 years was shifted to

urban areas or to sweeping reform with urban areas as the center, including reform of the economic structure, science and technology system, education system, and political system. So far as reform of the economic structure is concerned, our task is to fundamentally change an economic structure that hampers the development of the productive forces and to establish a vigorous socialist economic structure. The task was proposed by the Third Plenary Session of the 12th CPC Central Committee and the 14th Party National Congress decided on the goal of establishing a new socialist market economy. The crux of the matter lies in the need to firmly grasp the essence of socialism; to eradicate conventional concepts that stick to certain forms, means, and methods which are not the essence of socialism, and stubbornly reject certain forms, means, and methods which do not harm the essence of socialism by regarding them as capitalism; and to boldly go all out to assimilate all the achievements of civilization scored by mankind as well as all the advanced operation and management methods of every other country in the world, including the developed capitalist countries, that represent a modern and socialized production pattern and to use them for reference in a bid to develop socialism.

The second aspect is a new layout of opening to the outside world. First of all, we established a regional layout. If there were only four coastal Special Economic Zones in the earlier five years, we further opened 14 coastal cities to the outside world, established the Hainan Dao Special Economic Zone, and paid close attention to developing Shanghai's New Pudong Area and opening it to the outside world, in the ensuing 10 years. They form a new structure of omnidirectional opening up which encompasses coastal areas, border areas, areas along Chang Jiang, and cities in the center of the hinterland; and is geared to world needs, including developed countries, developing countries, and our neighboring countries. Next, in the sphere of industries, while promoting industrial development, trade, and international relations, we accelerated the opening up of various other sectors. What is of greater importance is our ability to draw on international experiences and to keep abreast of development information. This is a point repeatedly stressed by Comrade Xiaoping in Volume 3 of *Selected Works of Deng Xiaoping*. China's total import and export volume now accounts for approximately one third of its gross national product. It indicates the extent of economic opening up by China and, meanwhile, signifies the important progress it has made in drawing on international experiences and in keeping abreast of international information.

The third aspect is that we have promoted our economic strength, comprehensive national power, and the people's living standards to a new level. As we enjoyed development in the earlier five years, we announced during the decade that the problem of food and clothing had basically been solved, and we had begun the march toward a society in which the people lead a fairly comfortable life. The total output of a series of our

important products leads world ranks. We have the world's largest total output of grain, cotton, coal, and cement; our steel output ranks the fourth; and the per capita ratio of TV set owners exceeds the world's average level. The increase in economic strength has enabled our country to be better able to withstand various risks, including the risk of deepening reform.

Interwoven with the breakthroughs achieved in the three aspects mentioned above, the new emancipation of the mind emerged and deepened during the decade. If we say the efforts made to set right things which had been thrown into disorder in the earlier five years resulted mainly in liberating ourselves from the preaching "we must resolutely support whatever decisions were made by Chairman Mao, and we must steadfastly follow whatever instructions given by him," and from the mistakes made by Comrade Mao Zedong in his declining years, the sweeping reform implemented in the ensuing 10 years required us to further proceed from the national conditions of China; from the historical experiences of China and the international community; and from the actual conditions of the development of our times as well as the scientific, technological, and economic progress of the world, to reexamine a number of conventional concepts on socialism and on how to build socialism to enable us to further emancipate our minds from the restrictions imposed by those conventional concepts which are not in keeping with the actual conditions of China, the progress of the times, or the objective law of economic and social development.

7. During the decade, our understanding of the law governing China's socialist modernization was successful, but it was gained with difficulty. This difficulty refers to not only the various complications experienced in the process of our practice and understanding, but, above all, the unusually rigorous test gone through by the theory of building socialism with Chinese characteristics at certain important, critical moments during the decade.

Domestic turmoil was a critical moment. International turmoil was a critical moment, too. We all personally went through these soul-stirring turmoils.

Led by Comrade Xiaoping, our party soberly kept the situation under control in the face of one critical moment after another. On the one hand, it took decisive measures to eliminate the interference of class struggle which was quite acute at certain quarters for a moment, and maintained political stability at home; on the other hand, it unswervingly and firmly focused attention on the central task of economic construction, and never deviated from it all along. In particular, when drastic changes were taking place in the international situation, Comrade Xiaoping called on us to observe the situation with a cool head, hold our ground, and calmly cope with it. "We must keep cool, cool, and cool again; we must quietly immerse ourselves in doing solid work; we must succeed in doing one job—our own job." The job is to

develop China's economy and to improve the living standards of the Chinese people.

We have withstood domestic turbulence. The stages by which we overcame it are as follows: First, we adhered to socialism without wavering when dealing with the turbulence. Second, we persistently carried out reform and the policy of opening up and proved it with real action. In the final analysis, we have been supported by the people because of the marked results we have achieved over the past decade.

We have withstood international turbulence, for the following three reasons. We have always steadfastly insisted on independence and self-reliance. We have followed our own road. And we have depended on the people of our own country, rather than following others, siding with them, or taking a free ride.

Comrade Deng Xiaoping put it well: "Had it not been for the results of reform and opening up, we would never have passed the '4 June' test. His candid remarks indicate a clear truth. We might also say: Had it not been for the results of reform and opening up, it would have not been possible for us to stand like a mountain as we do today before the turbulent international situation.

All kinds of complicated contradictions have been fully revealed by this turbulence, and it has enabled us to have a clearer and more profound understanding of the overall situation and the objective rules.

The results of the test effectively prove that the theory and line of building socialism with Chinese characteristics are correct. As Comrade Deng Xiaoping put it: "There is no mistake" in our line, principle, policy, and strategic goal.

There must be a reason for the fact that we have passed a severe test at an important, historic juncture and that our undertakings are increasingly invigorating. The reason is this: Our party correctly understands the overall situation and our theory correctly reflects the objective rules.

III. The Result of Arduous but Successful Efforts To Understand the Theoretical Rule for China's Socialist Modernization Drive

8. The result of arduous but successful efforts to understand the theoretical rule for China's socialist modernization drive find outstanding expression in a series of new thoughts, viewpoints, and ideas formed in Volume 3 of the *Selected Works of Deng Xiaoping*.

They concern, for example: the essence and fundamental tasks of socialism; the primary stage of China's socialism; the judgment standards of the three causes [that they are "conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards"]; the three-step economic development strategy; the idea of grasping opportunities to accelerate development in a bid to push the national

economy to a new stage every few years; the idea that socialism does not mean poverty or slow development; the idea that reform is China's second revolution; the idea that China can not be alienated from the rest of the world in its economic development; and idea of opposing self closure and isolation; the idea that science and technology constitute the primary productive force; the idea that education must be geared toward the modernization drive, the world, and the future; the idea that there is no basic contradiction between socialism and a market economy; the idea that reform of the political system must be in line with that of the economic system; the idea of attaching equal importance to spiritual and material civilizations; the idea that the goal of the socialist drive to promote spiritual civilization is to cultivate a new generation of people with the four have [ideals, morality, culture, and discipline]; the concept of "one country and two systems"; the idea of persisting in socialism, checking turbulence, preventing peaceful evolution; the idea of being on the alert against Right tendencies, but mainly guarding against "Left" tendencies; persistence in the party's basic line of "one central task and two basic points" [centering on economic construction; adhering to the four cardinal principles and persevering in reform and opening up] without wavering for a century; the idea that peace and economic development are two major topics of the contemporary world; the establishment of a new international order based on the five principles of peaceful coexistence; the idea of soberly observing the international situation, securing one's position, and dealing with it calmly; the idea that the key to dealing with China's problems lies in improving the communist party internally; the improvement of clean government and anti-corruption; plus many other important viewpoints.

From the examples cited above we can see that:

First, all of them are new developments in our understanding and theory over the past decade;

Second, they are not looked at from a narrow viewpoint, but viewed from the overall situation;

Third, these views are interrelated, providing an overall understanding of the law of China's socialist modernization drive.

9. How did Comrade Xiaoping grasp the overall situation and understand the law of China's socialist modernization drive over the past decade?

The deciding factor is what Comrade Xiaoping has repeatedly stressed—everything is based on China's national conditions and on the reality that China is in the initial stages of socialism.

To enable us to better understand this point, let us first briefly review how Comrade Mao Zedong derived, in the democratic revolution period, the basic law of China's revolutionary war through an analysis of China's national conditions. In his well-known writing "Strategic Issues Concerning China's Revolutionary War,"

Comrade Mao Zedong pointed out that China's revolutionary war was governed by the law of regular wars, the law of revolutionary wars, as well as the law of China's revolutionary war. And, the law of China's revolutionary war is primarily based on the fact that China was then a big, semi-colonial and semi-feudal country that had just undergone a major revolution and had unbalanced political and economic development, and on the fact that, for a long time, its enemies had been strong and China had been weak. These facts predetermined the possibility of developing and winning China's revolutionary war and also the expectation the war could not develop rapidly nor could victory be won within a short time. Comrade Mao Zedong called these two conclusions "the fundamental law of China's revolutionary war." He also said "many other laws derive from this fundamental law."

These teachings today still have great methodological significance for us in understanding Comrade Xiaoping's views and policies which base everything on the country's national conditions and respect for the law, and in understanding a series of his views and policies which derive from these.

In Volume 3 of the *Selected Works of Deng Xiaoping*, Comrade Xiaoping made great efforts to analyze China's national conditions and the international climate over the last 20 or so years of this century. As Comrade Xiaoping put it, there are "two major situations"—the domestic situation and the international situation. Summarizing his analysis, we can see that he repeatedly stressed the following few points:

First, we had smooth development in the first eight years after the founding of the People's Republic, enabling us to establish a socialist foundation. After that, we experienced "leftist" errors for about 20 years, including the decade-long "Cultural Revolution" upheaval and the two-year-long hesitation once the "Cultural Revolution" ended, during which our economy developed slowly or was stagnant. Only after this period and since the Third Plenary Session of the 11th CPC Central Committee have we been able to concentrate our energies on economic construction and practicing reform and opening up.

Second, after a few decades of construction, our economic strength has reached a high level. However, because of our large population and weak economic base, the vast majority of our people still engage in agricultural production, our production work is still not highly socialized, and developments in various localities of the country are seriously unbalanced. Particularly when compared with the ever-changing, worldwide new technology revolution, our economy and culture, generally speaking, are still backward. Political stability and unity since the Third Plenary Session of the 11th CPC Central Committee have been preserved, but some destabilizing factors still exist.

Third, the questions of peace and development remain the two top priorities in the international arena today. A

world war will not break out for a long time to come. There are contradictions which can be used, as well as an environment which is favorable to us. But the world is not tranquil, there still exist the threats of hegemonism and power politics, international economic competition is intense, and the international market is monopolized by developed countries. We are faced with challenges as well as rare opportunities.

The utmost importance and urgency in resolutely developing the productive forces as the fundamental task of socialism and carrying out economic construction as the central task were shown by summing up and comparing historical experiences and lessons in such circumstances. Thus, taking shape was the idea that "Poverty is not socialism, nor is a snail's pace of development." Also advanced was the three-step strategy of development according to which it would take 70 years of hard work to realize modernization, and vigorous efforts would have to be made to raise the national economy to a new level every few years. To adapt to the uneven development of modernization and a relatively comfortable life, we encourage some people to become well-off first through honest work and lawful business operations, and then realize common prosperity for all people.

The necessity and possibility of boldly opening up both internally and externally were shown by summing up and comparing historical experiences and lessons in such circumstances. The concept that "persisting in reform and opening up is a move that will determine the destiny of China" took shape. Meanwhile, upholding the four cardinal principles, building a material and a spiritual civilization simultaneously, stability overriding everything else, and giving first place to state sovereignty and security became inevitable policies.

This means that China is in a process in which we should concentrate our efforts particularly on economic development. Development is an essential criterion. Development is crucial to China solving problems. "Whether China can achieve relatively rapid growth and realize its development strategy is crucial to whether China can withstand the pressure of hegemonism and power politics and uphold its socialist system." It would be disastrous if we failed to concentrate our efforts on the development of the productive forces, to carry out reforms and opening to the outside world, to uphold the four cardinal principles, to maintain political stability, and to attach equal importance to the building of a material and a spiritual civilization.

This is what Comrade Xiaoping pointed out sharply: "Failure to uphold socialism, to carry out reforms and opening to the outside world, to develop the economy, and to improve the people's living standards can only be a road to ruin."

Briefly, "one central task and two basic points" is China's only way to prosperity. If China does not take this road, there is no other road to take.

Socialism with Chinese characteristics is a socialism that continuously liberates and develops the productive forces; a socialism that advocates reform and opening to the outside world; a socialism guided by Marxism, led by the Communist Party, and practicing the people's democratic dictatorship; and a socialism safeguarding world peace and opposing hegemonism.

After analyzing the international and domestic situation using the basic Marxist stand and method, and after summing up historical experiences, the Chinese Communists represented by Comrade Deng Xiaoping have created and continued to create such a socialism that is full of vigor and vitality after 15 years of great practice.

10. In the course of grasping the overall situation and understanding the law, the CPC has achieved great developments in the understanding of several basic theoretical questions concerning socialism. Simply put, the party has achieved three major breakthroughs on the most important theoretical question concerning "what is socialism, and how to build and develop socialism." First, it has established the theory about the initial stage of socialism and abandoned the traditional concepts of socialism as "completely pure" and "large in size and collective in nature," emphasizing that China is still and will continue to be in the initial stage of socialism for some time to come (until the mid- 21st century). Second, it has established the theory of a socialist commodity economy and socialist market economy, and discarded the traditional concept that markets are capitalism and planning is socialism. Third, on the question concerning the essence of socialism and the criterion for judging right and wrong, it has discarded various distorted and erroneous understandings of socialism and defined the essence of socialism as being "to emancipate and develop productive forces, eliminate exploitation and polarization, and finally realize common prosperity." Accordingly, it has set the "conductive to three causes" criterion for judging rights and wrongs, merits and demerits—namely conducive to developing the productive forces of our socialist society, increasing the overall strength of our country, and improving the people's living standards.

These three breakthroughs are in-depth theoretical breakthroughs of scientific socialism.

The theoretical breakthroughs and the impact they have already given and will give to real life are an important phenomenon which deserves a prominent place in the history of the development of scientific socialism and Marxism.

On 20 August 1991, Comrade Xiaoping made an incisive statement. He said: "We must continue to stress the need to oppose bourgeois liberalization. In making reform and opening to the outside world, in shifting the focus of work to economic construction, we did not abandon Marx, Lenin, and Mao Zedong. We should not forsake our forefathers. What is important is to obtain a clear understanding of what is socialism and how to

build and develop socialism." What he meant by not forsaking our forefathers is that we must inherit and uphold Marxism-Leninism-Mao Zedong Thought. And what he meant by "obtaining clear understanding on the two aspects" is to develop Marxism-Leninism-Mao Zedong Thought. We must achieve developments on important basic theoretical questions by putting out new scientific statements not available to our forefathers. Therefore, we must inherit and uphold, as well as develop and innovate Marxism-Leninism-Mao Zedong Thought.

The result of grasping the overall situation, understanding the law, not forsaking our forefathers, and discarding outdated concepts is the creation of Deng Xiaoping's theory of building socialism with Chinese characteristics, the Marxism of contemporary China.

IV. The Ideological Line of Communists Continually Creating New Situations in the Course of Struggle

11. The ideological line of persisting in emancipating the mind, seeking truth from facts, taking the basic tenets of Marxism as the guide, and using practice as the sole criterion for verifying the truth has permeated throughout Volume 3 of the *Selected Works of Deng Xiaoping*.

This ideological line was inherited from Comrade Mao Zedong. In leading the party and the Chinese people to blaze a new path for Chinese revolution never trodden before, Mao Zedong relied, first and foremost, on the "ideological line of communists creating new situations in the course of struggles" (from "Oppose Book Worship" by Mao Zedong), which is diametrically opposed to the conservative line of "book worship."

Comrade Deng Xiaoping has also relied, first and foremost, on this ideological line in leading the party and the Chinese people in pioneering a brand new undertaking of reform and opening up and concentrating forces on socialist modernization since the Third Plenary Session of the 11th CPC Central Committee. The beginning of the new era was marked by criticism of the "two whatevers," discussions on the criterion of truth, and the restoration and establishment of this ideological line. His famous speech "Emancipate the Mind, Seek Truth from Facts, and Unite as One in Looking to the Future" is a declaration to open up a new era. Adherence to this ideological line has run through the five years of eliminating chaos and restoring order (from the Third Plenary Session of the 11th CPC Central Committee to the 12th CPC National Congress) and the 10 years of comprehensive reform (from the 12th CPC National Congress to his southern inspection tour). Comrade Xiaoping's talks during the southern inspection tour are a new declaration to push the new historical era to a new stage of development, as well as one of emancipating the mind and seeking truth from facts.

Comrade Xiaoping said before: "To catch up with the times is the goal of our reform." The course of events over the past 15 years shows that only by persisting in

emancipating the mind and seeking truth from facts can we discern the pulse of our times and grasp opportunities to continually achieve new developments in reform, opening up, and modernization construction and can we advance our cause toward the goal of catching up with the times. This is precisely what Comrade Xiaoping has done. At an advanced age, he still retains a youthful vigor in his thought, never becoming stagnant and ossified and always standing at the vanguard of pioneering a new undertaking. Such an invaluable and rare ideological line and mental state is vividly reflected in none other than volume three of his selected works.

12. We say that "it is necessary to understand, arduously but successfully, the law of China's socialist modernization." We say that practice proves that the theory of building socialism with Chinese characteristics "conforms to objective law." We say that the party's ideological line of emancipating the mind and seeking truth from facts has already shown its might. By saying all these, we do not mean that we have already understood the law, nor that future exploration will not be difficult, nor that it is unnecessary to continue emancipating the mind. Truth is not discovered at the first try. As far as understanding the law of China's socialist modernization is concerned, Volume 3 of the *Selected Works of Deng Xiaoping* reflects the truth, but it does not put an end to truth. Instead, it opens up the correct road along which we can further understand the law and display the truth.

We are still facing many problems. For instance, we have set as an objective the establishment of the new structure of socialist market economy, and this is tremendous progress in understanding the law. As for how to establish the new structure, there are still many complex and difficult problems which require us to continue to emancipate our mind, seek truth from facts, and make great creative efforts to study and find solutions. The Decision on Some Issues Concerning the Establishment of a Socialist Market Economic Structure, adopted recently by the Third Plenary Session of the 14th CPC Central Committee, is the latest result of the creative effort, and it has put forward the arduous task of making further practical and theoretical exploration and creation. For instance, we have laid down the principle of seizing the opportunity to accelerate development, and this also represents tremendous progress in understanding the law. There are still many complex and difficult problems which require us to continue to emancipate our mind, seek truth from facts, and make great creative efforts to study and find solutions, including how we accelerate development while maintaining the emphasis on quality, how we enhance efficiency, how we heed science and technology, how we optimize structure in accordance with what Comrade Xiaoping has demanded, and how we accelerate development during the course of improving macro-economic regulation and control. For instance, China's reform began with the rural areas and has been a great success there. However, ours is a big country with a rural population of 800 million, and

solving agricultural problems and promoting agricultural modernization is a complex and difficult question which no other countries have ever encountered. Of both the existing and the potential rural surplus work force, which number in the hundreds of millions, a major portion has been hired by village and town enterprises and urban areas. What of the others? These questions also require us to continue to emancipate our mind, seek truth from facts, and make great creative efforts to study and solve them. For instance, we have laid down the principle of building a material civilization on the one hand while building a spiritual civilization on the other, and this is very important. There are still many complex and difficult problems to be solved when it comes to building a spiritual civilization and combating corruption and other crimes. Currently, the problem of trading power for money, in particular, is very serious, and it is because the market economy mechanism has not yet been established well nor standardized. Such a problem also requires us to continue to emancipate our mind, seek truth from facts, and make great creative efforts to study and find a solution.

Reading through Volume 3 of the *Selected Works of Deng Xiaoping*, we can see that Comrade Xiaoping has confirmed that our reform is a major success, but has also pointed out that our reform is a great experiment—a great experiment even from a global point of view. On the one hand, he has affirmed that we have found the correct path, and that we have established clearly-defined principles and policies in all areas and have precise language by which to express ourselves. On the other hand, he has pointed out that “maybe it will take another 30 years for us to formulate a set of more mature and better-established systems for work in various fields.” These views have presented us with the task of continuing to insist on emancipating our mind, seek truth from facts, and boldly pioneer new undertakings, conduct new experiments, open up new spheres of endeavor, and create new things.

We have opened up a new path just like the one we have had over the last 15 years. In the future, we will still continue to adhere to the ideological line of emancipating the mind and seeking truth from facts. We will draw a clear line between ourselves and the erroneous tendency to dogmatize Marxism, and between ourselves and the erroneous tendency to discard the basic principles of Marxism and kowtow to the Western capitalist class.

We should stay alert against the right, but should primarily guard against the “left.” This will enable we Chinese Communists to maintain our ideological and political line soberly and correctly, and to keep it lively, active, and full of revolutionary vigor.

V. Uphold the Party's Basic Line for 100 Years Without Wavering

13. All in all, the whole party should further affirm its well-founded confidence in its cause by studying

Volume 3 of the *Selected Works of Deng Xiaoping* and grasping its political and theoretical significance. In short, we must—and we certainly will—uphold the party's basic line; we must—and we certainly will—win a victory in our cause to build socialism with Chinese characteristics.

From the call to implement correct principles with awareness and determination he made in his opening speech at the 12th CPC National Congress to the call that “the basic line must be followed unswervingly for 100 years” he made when he visited the south, Comrade Xiaoping has repeatedly elaborated on this issue of great importance: We must not allow any reversal to the basic tenets and line on which the future and destiny of the party and state depend.

He spoke of not making reversals exactly because there is a such possibility. We learned such a lesson from the quick reversal of the line adopted at the First Plenary Session of the Eighth CPC Central Committee. In the past decade, people have been frequently concerned about whether the line pursued since Third Plenary Session of the 11th CPC Central Committee would be changed.

Referring to the international anxiety that “policy will change when Deng is no longer around,” Comrade Xiaoping said in 1984 at a meeting of the Central Advisory Commission: “We should tell the world that no one can change the line, policies, and strategies we have adopted now.”

From late 1986 to early 1987, Comrade Xiaoping, with the revived hearsay of the time in mind, said repeatedly: “There will not be any change” in the party's line, principles, and policies. He further pointed out: “This issue of ‘unchangeability’ is a hot topic among the people. I believe people will continue talking about it until the turn of this century and beyond. We must prove this ‘unchangeability’ with facts.”

An incident of domestic political turmoil took place in the late spring and early summer of 1989. In a meeting with two central leaders on 31 May, Comrade Xiaoping made it clear from the very first sentence: “The policy of reform and opening up must remain unchanged for decades to come. It must be pursued at all times. It is a matter that has aroused great concern both at home and abroad.” Soon after the turmoil was quelled, Comrade Xiaoping announced solemnly on 9 June, “What do we do from now on? I would say we should continue, persist in implementing our set basic line, principles, and policies.” “Now that I have raised the question, I would like you all to consider it seriously.”

After the drastic changes in the international situation in the autumn and winter of 1989, Comrade Xiaoping said on many occasions: “We must uphold and never change” the strategy of “one center, two basic points.” “Not only leaders of this term but also leaders of the next term and beyond must uphold it to the end.”

The repeated exhortations in the talks he made when he visited the south can be summarized with this key phrase: "Persistently uphold the line, principles, and policies."

It is thus clear that the one question Comrade Xiaoping and the broad ranks of people care most about is whether we can persist in the line of developing China which was set at the Third Plenary Session of the 11th CPC Central Committee. He believes it requires all of us to work hard to do a good job of educating the army, the organs of dictatorship, communist party members, the people, and the youth, especially the younger generation.

14. It should be pointed out that whenever he speaks about whether there will or should be changes, and whether such changes are possible, he always stresses: "Whether there will be changes or not" is, in the final analysis, decided by whether "it is right or not." He said: "If we are on the right course, then the policy should not change. Why will these policies remain unchanged? Because practice has shown that these principles and policies are entirely correct.

We must also pay attention to the fact that Comrade Xiaoping has always emphatically pointed out: In the final analysis, whether "to change or not to change" hinges on whether the people will benefit from it, whether they are happy about it, whether they are satisfied with it, whether they support it, whether they agree with it, and whether they approve of it.

That is to say, whether "to change or not to change" is not simply a matter of subjective desire; it essentially depends on whether it is proved to be "right" or not in practice. On the other hand, there is an objective criterion for determining whether something is "right," and that is the criterion of whether it is "conducive to the three causes." In the final analysis, this is the criterion of the productive forces, the criterion of conforming with the objective law, the criterion of conforming with the best interests of the broadest masses of people, and the criterion of having the support of the broadest masses of people. Therefore, it is a matter that can only be verified by the requirements to develop the social productive forces, by whether it accords with the interests and wishes of the masses of people, and by whether it conforms with the objective law.

Respecting the productive forces, the people, and practice constitutes an integrated whole, which is also what Comrade Xiaoping called "respecting the law." This is the cornerstone for ensuring the basic line will remain unwavering for 100 years. It is the cornerstone of Deng Xiaoping's theory of building socialism with Chinese characteristics. It is also the cornerstone of the Chinese Communists' resourcefulness, courage, and confidence. This characteristics could not have found more clear expression than in the new volume of the *Selected Works of Deng Xiaoping*.

15. What kind of situation will emerge in China, then, if we uphold the party's basic line and not waver in it for

100 years? And what impact will it have on the world? We believe this is one of the issues that ought to be carefully thought out when we study Volume 3 of the *Selected Works of Deng Xiaoping*.

By the time we mark the 50th anniversary of the founding of the people's republic at end of this century, we will have accomplished the second-step strategic goal and solidly and completely fulfilled our plan to quadruple our gross annual value of industrial and agricultural output, and the people will have a relatively comfortable standard of living.

By the time we mark the centenary of the founding of our party in the early twenties of the next century, we will have developed a complete set of more mature, more well-established systems in all areas.

By the time we mark the centenary of the founding of the people's republic in the middle of the next century, we will have accomplished the third-step strategic goal and basically achieved socialist modernization.

The Chinese as a nation created the most brilliant history of mankind in ancient times. After the modern Industrial Revolution, Western capitalism passed us. The 19th century became a century of decline for the Chinese as a nation, and its decline reached its nadir at the end of that century. The Chinese people greeted the year 1900 amid the humiliation of seeing their capital city of Beijing occupied by the allied forces of eight imperialist countries. The 20th century is a century for the Chinese nation to rise up and head toward revitalization. In the first 50 years of this century we successively overthrew the rules of the Qing Dynasty, the Northern Warlords, and the Kuomintang reactionaries; scored victories in the New Democratic Revolution against imperialism, feudalism, and bureaucratic capitalism; and founded the PRC. The Chinese people have since stood up. In the second half of this century we have established a basic system of socialism which, after going along a tortuous road, then developing through reform, opening up, and modernization, means we will be able to greet the year 2000 with a society of sufficiency and comfort. The 21st century will be the century the Chinese nation accomplishes revitalization. During the first 50 years, we will essentially turn China into a prosperous, strong, democratic, and civilized modern socialist state, and then, in the second half, we will advance toward higher goals to accomplish the great revitalization of the Chinese nation.

These have been repeatedly expounded by Comrade Xiaoping. The overall situation he referred to encompasses this kind of general situation. A development line like this is what he calls the basic line pursued since the Third Plenary Session of the 11th CPC Central Committee. It is a rare phenomenon in world history for a large country like ours to indomitably pave the way for a new century after experiencing drastic changes in its fortunes and undergoing all kinds of vicissitudes over the

course of a century. This is a remarkably great event of historic significance to the world.

China's rejuvenation will undoubtedly be a great encouragement to the developing countries which, like us, have experienced invasions by colonial imperialists. It will also be unquestionably a great encouragement to people in the world who believe in and pursue socialism. When disturbances erupt in some socialist countries, quite a few people in the world predict that socialism, which gained an ascendancy and demonstrated its splendor in the 20th century, will perish within the century. This type of prediction will certainly prove to be untenable. Comrade Xiaoping once made a very poignant statement: "When disturbances erupt in these countries, China should truly realize its goal of quadrupling its gross national product as scheduled. This is a victory for socialism. If we basically achieve modernization by the middle of the next century, we can further assert the success of socialism. To be sure, we should not be boastful. The more we develop, the more we should be modest. Should China stabilize and realize its development goals, socialism will demonstrate its superiority." "As long as China does not collapse, one-fifth of the world's population will be upholding socialism. We are fully confident of the future of socialism."

The last part of his statement during his tour of southern China is also the last paragraph in the book. Comrade Xiaoping said: "The period from now until the middle of the next century will be very crucial. We should immerse ourselves in hard work. What a heavy burden we shoulder, and how great our responsibility is!"

This means:

The Chinese nation will regenerate splendor on the basis of socialism.

Socialism will demonstrate renewed splendor during the Chinese people's struggle.

The rejuvenation of socialism and the Chinese nation is historically linked in this manner.

This is also the lofty mission of Deng Xiaoping's theory of building socialism with Chinese characteristics.

Everybody will recall that in the party's history, the Seventh CPC National Congress established Mao Zedong Thought as the party's guiding ideology. At the same time, Comrade Mao Zedong, in his closing speech at the Seventh CPC National Congress, emphatically called for "building up the confidence of the entire party and people across the country in the revolution's certain victory." The speech was a brilliant address entitled "The Foolish Old Man Who Removed the Mountains." He continued: "First, we should awaken our vanguard so that it will be determined to score victory without flinching from sacrifices and by overcoming all difficulties." Today, the 14th CPC National Congress has established Deng Xiaoping's theory of building socialism with Chinese characteristics as the party's guiding ideology.

Moreover, it has proposed the task of arming the entire party with this theory, which is to "first awaken the vanguard." Now, we have Volume 3 of the *Selected Works of Deng Xiaoping*. At this moment, we are in an excellent position to foster greater, scientifically justifiable confidence in our great cause. If we thoroughly study Volume 3 of the *Selected Works of Deng Xiaoping*, take the overall situation into account, understand the pattern of things, and show full confidence, our entirely new cause of socialist reform, opening up, and modernization is full of promise.

CDNCA Closes Second Plenary Session

OW1412141493 Beijing XINHUA in English 1404 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—The sixth central committee of the China Democratic National Construction Association (CDNCA) held its second plenary session in Beijing on December 11-14.

The session focused on discussing the decision and documents of the Third Plenary Session of the 14th Central Committee of the Communist Party of China (CPC) and National United Front Work Conference, as well as reviewing the work of CDNCA in the past year.

Sun Qimeng, vice-chairman of the Standing Committee of the National People's Congress and chairman of the CDNCA Central Committee, delivered a report to the session.

He said that the CDNCA organizations at various levels have played an active role in government and democratic supervision work over the past year.

He said that the organizations have also made valuable suggestions for reforms and construction in the country.

The session approved a decision which calls for studying the decision of the Third Plenary Session of the 14th CPC Central Committee and Deng Xiaoping's works, contributing to the development of the system of multi-party cooperation and political consultation and the establishment of the socialist market economy.

The session elected seven new members to the CDNCA Central Committee and one new member to the Standing Committee of the CDNCA Central Committee.

Circular Issued on Holiday Security Arrangements

OW1412172793 Beijing XINHUA Domestic Service in Chinese 0831 GMT 13 Dec 93

[Text] Beijing, 13 Dec (XINHUA)—To ensure that the broad masses of people will enjoy the forthcoming 1994 New Year's Day and the Spring Festival in a safe and peaceful atmosphere, the Ministry of Public Security recently issued a circular, requiring public security organs in various localities to identify prominent local

security problems and take tough measures to crack down on crime and maintain public order.

The circular requires public security organs in various localities to enhance effectiveness in solving and handling cases; speed up the pace of handling cases on the basis of the anticorruption struggle; be more quality-conscious in handling cases; and get rid of various interferences to resolutely, severely, and promptly punish a host of serious criminal elements according to the law and to deter crime. They should seriously rectify public order in rural areas by concentrating their time and police forces in areas where hooliganism and evil forces are rampant; where serious highway and railway robberies are frequent; where destructive theft of equipment in factories, mines, water and electricity utilities, and transport facilities is common; and where the "six evils" [prostitution; pornography; trading in women and children; growing, using, or trading in narcotics; gambling; and profiting from superstitious practices] are spreading to crack down on them. They should seriously draw lessons from a series of major fires and fatal traffic accidents that have taken place in various places this year and conduct, before New Year's Day and the Spring Festival, a general safety inspection to prevent fires, explosions, traffic accidents, and other disasters. The removal of hidden perils will effectively help prevent major disasters and accidents from occurring. Public security organs are required to make early arrangements to ensure safety for both travelers and communications lines during the Spring Festival by intensifying patrols at strategic points in the cities and along railways and highways; strengthening inspections of flammables, explosives, and other dangerous articles; and cracking down on railway and highway robbers.

The circular also urged leading cadres in public security organs at various levels to take the initiative in leading local police in maintaining public order in their areas.

Decree Issued on Injuries to Domestic Air Passengers

Li Peng Signs Decree

OW1312094493 Beijing XINHUA Domestic Service in Chinese 2110 GMT 3 Dec 93

[Text] Beijing, 4 Dec (XINHUA)—Decree No. 132 of the State Council of the People's Republic of China

The "Decision of the State Council on Amending the 'Interim Provisions on Compensation for Physical Injuries to Domestic Air Transport Passengers'" are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng

[Dated] 29 November 1993

Rules on Compensation

OW1312102393 Beijing XINHUA Domestic Service in Chinese 2111 GMT 3 Dec 93

[Text] Beijing, 4 Dec (XINHUA)—Interim Provisions on Compensation for Physical Injuries to Domestic Air Transport Passengers

(Adopted at the State Council's 31st Executive Meeting on 3 January 1989, promulgated by Decree No. 28 of the PRC State Council on 20 February 1989, and amended per the "Decision of the State Council on Amending 'Interim Provisions on Compensation for Physical Injuries to Domestic Air Transport Passengers'" on 29 November 1993)

Article 1. These provisions have been formulated to ensure that domestic air carriers will undertake civil responsibilities for physical injuries to their passengers.

Article 2. These provisions apply to compensation for physical injuries to passengers during domestic air passenger transport.

The domestic air transport mentioned in the preceding paragraph refers to air passenger transport whose points of departure, designated stopovers, and destinations lie within the PRC's territorial boundaries according to air passenger transport contracts.

Article 3. A carrier shall be responsible for compensating passengers who die or sustain injuries on aircraft or while boarding or exiting aircraft.

Article 4. A carrier shall not be responsible for compensating if it can prove that a passenger's death or injury is due to force majeure or the passenger's own health conditions.

Article 5. A carrier's responsibility to compensate shall be mitigated or it shall be absolved of such responsibility if it can prove that a passenger's death or injury is due to the passenger's fault or intentional act.

Article 6. Where a carrier is responsible for compensation pursuant to these provisions, the maximum amount of compensation for each passenger shall be 70,000 yuan.

Article 7. Passengers may decide on their own whether to buy accidental injury insurance related to air transport from insurers. Payments made under this type of insurance coverage, however, may not be used to offset or reduce the amount of compensation for which the carrier is responsible.

Article 8. Indemnities made to foreign nationals, Overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan may be converted into the currencies of the countries or regions concerned. The exchange rates shall be determined according to the exchange rate quotations published by the PRC State Administration of Exchange Control on the payment dates.

Article 9. Should a dispute over injury compensation arise between passengers or their heirs and carriers, a lawsuit may be filed with a people's court.

Article 10. The Civil Aviation Administration of China shall be responsible for interpreting these provisions.

Article 11. These provisions took effect on 1 May 1989. The "Regulations on Mandatory Insurance for Accidental Injuries to Airplane Passengers" promulgated by the Government Administration Council's Financial and Economic Commission were revoked on the same date.

Air Safety Campaign To Include Pilot Checks

HK1312081093 Beijing CHINA DAILY in English 13 Dec 93 p 3

[By staff reporter Xie Yicheng: "Pilot Checks As Air Chiefs Stress Safety"]

[Text] Aviation chiefs are set to check pilots flying ability as they bid to regain travellers' confidence after three major plane accidents and several hijackings this year. The move is part of a safety and checks campaign which is to be launched at once, said Jiang Zhuping, head of the Civil Aviation Administration of China (CAAC) at the weekend.

He was speaking at a telephone conference on ways to enforce a State Council circular demanding China's aviation record improve.

Every airline, airport navigation and maintenance unit will be checked in the campaign to close safety loopholes and tighten discipline.

"Leaders must make safety an overwhelming priority," said Jiang describing the situation as a "crisis."

Workers and bosses who failed to maintain safety standards could face criminal prosecution, he said.

Special attention will be given to maintenance, air traffic control and safety checks.

CAAC has sent out a dozen teams of aviation experts to reinforce safety standards.

They have the power to demote and revoke the licence of poorly-qualified pilots.

Safety inspectors will also be better trained.

Passengers flying to coastal cities in the Southeast would have their bags checked.

Any tool or implement which can be used as a weapon in a hijacking is banned.

"We have no other choice but to do this for the sake of passenger safety," said a CAAC security official requesting public understanding and cooperation.

CPC Elders on Civil Aviation

HK1012134093 Hong Kong CHENG MING in Chinese No 194, 1 Dec 93 pp 24-25

[By Li Pei (2621 0223): "Written Instructions on Hijackings by CPC Elder Statesmen": first paragraph is CHENG MING introduction]

[Text] Zou Jiahua convened four emergency meetings of the State Council in two weeks. Deng Xiaoping, Chen Yun, Wan Li, Yang Shangkun gave written instructions in turn and they unanimously held that the frequent hijackings cause a "loss of national character" and that it is necessary to strengthen security work for civil aviation.

Deng, Chen, Wan, and Yang Give Written Instructions on Hijacking

From 5 to 12 November, in just one week, three mainland civil airliners were hijacked to Taiwan, this can really be called an "unprecedented" record in the world's civil aviation history.

When the news reached Beijing, it shocked the CPC elder and Deng Xiaoping, Chen Yun, Wan Li, and Yang Shangkun gave written instructions one after another.

Deng Xiaoping's instruction was given on 12 November to a briefing held in the State Council General Office. He asked what was the cause of the frequent hijackings and whether or not the preventive and security work was solid. If things go on like this, the people's safety and the state's reputation will be badly affected.

Chen Yun's written instruction was: Civil aviation's security work is number one and the relevant departments should sound the alarm. The continuous occurrence of hijackings will have a bad impact on the people's minds. If measures are not thoroughly examined, more hijackings will take place.

Wan Li's written instruction was: The continuous occurrence of hijacking cases is alarming, indicating that civil aviation management and security has a relatively big problem and the main reason is still on our side. As regards the hijackers, we may propose to Taiwan a more suitable method to handle them and seek an agreement sooner.

Yang Shangkun's written instruction was: I suggest that civil aviation work should undergo a thorough check and various security systems should undergo examination. We must change the current chaotic order in the civil aviation and change its situation.

Bo Yibo's written instruction was: Civil aviation's security system has been out of line with the development of civil aviation and, if the main factor leading to the problem cannot be found or measures are not solid, hijackings and crashes will still happen in the future and the influence will be extremely bad.

Zou Jiahua Convened Four Emergency Meetings in Two Weeks

The opinions offered "with one voice" by the CPC elders, indicate that they are very unhappy with the "loss of national character." This causes a great deal of pressure on the relevant quarters. On the evening of 13 November, Zou Jiahua presided over a meeting of various departments, including civil aviation, public security, customs, and the Armed Police. According to information, that was the fourth emergency meeting convened by Zou Jiahua in the name of the State Council in two weeks. At the meeting, he made a strongly-worded criticism: "We must face the reality. There have been three cases of hijacking and one case of a plane crash this month and there have been several unsuccessful hijacking attempts and flight problems. As far as the civil aviation department is concerned, this is very worrisome. The basic safety coefficient of the civil aviation is bad and it has seriously hurt the country's reputation. What should we do? It is still a management problem and a problem with the system."

The persons in charge of the civil aviation and public security departments have their difficulties and they even mentioned that the frequent hijackings are inseparable from a relevant instruction from Li Peng. They demanded an examination of a document on handling hijacking cases during flights, a document signed by Li Peng.

Li Peng's "12 February" Instruction Was Criticized

On 12 February 1992, Li Peng gave instructions to a report on civil aviation work (called the "12 February" notice) which has five points: 1) when hijacking takes place on a civil airliner, the safety of passengers has the priority and there should not be fighting or struggling; 2) when hijacking takes place, the ground control station must be notified immediately to prevent any accident; 3) civil airliners should ensure that they have adequate fuel for a medium-range double trip; 4) in principle, a hijacked plane may fly to the destination demanded by the hijacker; and 5) the captain of a hijacked plane may confirm the relevant facts according to the system and procedure at the destination in which he has landed.

According to information, Li Peng gave this instruction after Deng's southern tour, to support the absorption of foreign funds, especially Taiwan funds. If a tragedy resembling the one the previous year at Baiyun Airport, where a "brave struggle against the hijacker" occurred, reoccurs, it would be strange if Taiwan businessmen were not scared away! People may scarcely realize that in recent years, the mainland's civil aviation has developed at an annual growth rate of 30 percent and the manpower and material strength required for flight safety measures could not catch up. The civil aviation and public security departments "have no ability even though they want to" prevent hijackings from taking place again.

However, airliner passengers and overseas persons are happy to see the change in the method for handling

hijacking cases on planes on the mainland; they think safety should be the first priority.

Li and Zhou Dare Not Make Promises

At this emergency meeting of the State Council, the persons in charge of the civil aviation and public security departments proposed some concrete measures: On long-distance routes, one extra security person must be added (domestic rules say that a long-distance flight is one of more than 1,000 km or over 90 minutes flying time) and the security personnel are allowed to take action to stop any hijacking case after judging the situation; the pilot and the security personnel, after judging the situation, may pick a nearby airport to land. On the other hand, the current system of selling tickets must be changed. Those wanting to buy tickets must be approved by county-level administrative or security departments, whereas individual business operators must first be approved by neighborhood party committees or police substation, then they can buy tickets.

However, Li Peng and Zou Jiahua did not dare to promise the civil aviation and public security departments that they would implement their ideas. Zou Jiahua only agreed to increase security personnel numbers and measures but was opposed to allowing security personnel to "take action to stop any hijacking case after judging the situation."

On 8 November, that is, the day the second hijacking case occurred in the month, the Civil Aviation Administration of China issued an order asking the coastal airports, which are close to Taiwan, to search all passengers and their luggage. According to the prevailing international practice, airports generally carry out random checks on 10 percent of the passengers. According to information, the 100 percent check is aimed at mainland passengers, whereas overseas people, including Taiwan compatriots, will be checked depending on the situation.

Existing Loopholes in Security Check

The system still has loopholes during implementation. For example, a China Northern plane was hijacked on 12 November and, before the plane took off from Changchun Airport, all the passengers had undergone a body check while only 78 percent of the luggage had been checked. An aviation official in Beijing complained: It is now very difficult to prevent hijacking; guns and explosives can be found easily and even knives must be confiscated but the hijackers can use explosive-like objects and anything can be made to look like a bomb, so it is not a problem at the technical level. This person also said that after the security check, the second protective measure is the cockpit. Most local airlines on the mainland use small aircraft, such as the hijacked China Northern and Zhejiang Airlines planes, were 737 and MD-82, and the cockpits can easily be broken into or can be regarded as having no defense.

Since November, throughout the whole country there have been 17 unsuccessful attempts to hijack planes and

this figure is alarming. According to statistics, some passengers were discovered to have hidden guns, knives, and detonators in their hand baggage: On 2 November at Nanchang, Shanghai, and Wuhan Airports; on 7 November, at Guangzhou Airport; on 9 November, at Jinan Airport; and on 12 November, at Xian Airport. All these flights were scheduled to fly to destinations close to Taiwan, such as Guangzhou, Fuzhou, Haikou, and Guilin.

Opinion Poll Provides Food for Thought

In addition, there was an air disaster which has been kept secret by the authorities up to now. On the morning of 14 November, a civilian cargo plane exploded when it was descending to Hami in Xinjiang. The preliminary investigation revealed that it was carrying category-two inflammable and explosive materials, which were not packed with protective coverings as they should have been, hence the explosion. Three crew died in the accident and the loss amounted to more than 8 million yuan.

The shortcomings and potential dangers in civil aviation on the mainland have existed for years and the frequent hijacking cases have only served to bring the old problem to light. A certain opinion poll can illustrate the problem very well—on 14 November, the civil aviation and public security departments carried out an opinion poll in the waiting rooms at the airports in Shenzhen, Guangzhou, Shanghai, and Beijing; 100 percent of the respondents said that it is necessary to severely crack down on the hijackers, including the idea that Taiwan should repatriate the criminals, but 70 percent of the respondents thought that the responsibility still rests on management, the system, and propaganda.

Civil Air Chief Calls For Strengthening Security

HK1412060793 Beijing XINHUA Domestic Service in Chinese 1150 GMT 11 Dec 93

[By reporters Xu Xingtang (1776 5281 1016) and Wang Yanrong (3769 1693 2837): "Jiang Zhuping Demands That Civil Aviation Institutions Implement State Council Circular on Strengthening Security Work"]

[Text] Beijing, 11 Dec (XINHUA)—Today, Jiang Zhuping, director of the Civil Aviation General Administration of China [CAGAC], stressed that all the cadres and workers in the civil aviation system should conscientiously study the State Council's "Circular on Strengthening Civil Aviation Security Work" and effectively strengthen the civil aviation work in various aspects.

During today's telephone conference held by CAGAC, Jiang Zhuping pointed out: Recent security inspections conducted by CAGAC showed that some units did not pay sufficient attention to security work, did not do solid work to ensure the implementation of the regulations concerned, did not observe discipline, and did not effectively enforce the bans and obey the orders. Such phenomena were rather common and leaders at various levels did not perform their duties conscientiously and

carefully and did not exercise strict management according to the high standards and requirements. This was a prominent problem in the security work.

Therefore, Jiang Zhuping demanded that all airlines, airports, air traffic control stations, and ground maintenance and service units immediately carry out overall security inspections and examinations. They should discover problems, adopt measures, plug loopholes, perfect rules and regulations, strictly enforce discipline, and guarantee security according to the spirit of the State Council circular. He also required leaders of the civil aviation institutions at all levels to further increase their sense of responsibility for their work. The enterprises, as legal persons, should bear primary responsibility for security work and bear full responsibility for industrial safety. Efforts should be focused on the key points and links in the work of guaranteeing industrial safety. It is necessary to effectively intensify security inspections of the airplanes, the ground service facilities, and the air traffic control facilities; train the personnel more strictly and examine their work; establish and perfect target responsibility systems so that awards and penalties can be meted out to those who deserve such things and that leaders at all levels and all the workers will be responsible for security and safety and will make joint efforts to guarantee security and safety.

Science & Technology

Nuclear Power Plant Meets 'Generating Capacity'

OW1512094993 Beijing XINHUA in English 0921 GMT 15 Dec 93

[Text] Qinshan, December 15 (XINHUA)—The Qinshan nuclear power plant, the first Chinese-designed reactor, met its targeted annual generating capacity today, two years ahead of schedule.

Located in east China's Zhejiang Province, the plant has generated a total of 1.62 billion kilowatt-hours of electricity since the beginning of this year.

According to a plant executive, the plant is currently in trial operation, producing 7.2 million kilowatt-hours every day.

The official said that the 300,000-kilowatt plant has generated a total of 2.14 billion kilowatt-hours since it opened two years ago.

The plant has helped ease an energy shortage in east China, one of the country's fastest growing areas, he said.

The central government has approved a plan for the plant's second phase of construction, which will include the installation of two 600,000-kw generating units, he said.

A senior official at the Beijing-based China National Nuclear Corporation (CNNC) said that the government plans to build a group of new nuclear power plants around the Qinshan area.

China currently has two nuclear power plants. The second reactor is located in Dayawan (Daya Bay), in southern Guangdong Province, and is about 50 kilometers northeast of Hong Kong.

The Dayawan Plant's first generating set of 900,000 kws went into operation at the end of August this year.

Environmental Protection Becomes Issue

OW1412153393 Beijing XINHUA in English 1455
GMT 14 Dec 93

[Text] Xian, December 14 (XINHUA)—A meeting was held today in Yulin city, northwest China's Shaanxi Province, calling for efforts to solve environmental pollution due to exploration of natural resources around the area.

State Councillor Song Jian and other leaders from the central and local governments took part in the meeting, which was sponsored by the Environmental Protection Committee of the State Council.

Speaking at the meeting, Xie Zhenhua, director of the State Bureau of Environmental Protection, said that total proven coal reserves in the adjacent area of Shanxi-Shaanxi-Inner Mongolia now reach over 280 billion tons.

He said that reasonable exploration of coal resources in the area is of great significance to promoting the development of the national economy.

But, he added, natural conditions in the area are poor due to an overemphasis on exploration, to the detriment of environmental protection.

As a result, the environment was seriously polluted in this area, with much coal wasted and a large portion of topsoil washed away, he said.

He added that the central government has paid very close attention to environmental protection in developing natural resources in the area.

He urged taking forceful measures to reorder coal exploration and strengthen supervision over environmental protection work in this area.

In the near future, he continued, the urgent task is to clear out rivers to ensure that flood peaks pass safely in the coming year.

The participants also investigated the serious soil damage in the area due to natural resource exploration.

Aquatic Wildlife Protection Regulations Noted

HK1412111093 Beijing NONGMIN RIBAO in Chinese
31 Oct 93 p 2

["The Implementation Regulations for the Protection of Aquatic Wildlife of the PRC"]

[Text] Order of the Ministry of Agriculture of the PRC
(No. 1)

"The Implementation Regulations for the Protection of Aquatic Wildlife of the PRC," which were approved by the State Council on 17 September 1993, are now promulgated for implementation.

Minister Liu Jiang

5 October 1993

Chapter 1: General Principles

Article 1. The regulations are formulated in accordance with the Law for Protection of Wildlife of the PRC (hereinafter shortened to the Law for Protection of Wildlife).

Article 2. The aquatic wildlife referred to in these regulations refers to rare aquatic wild animals on the verge of extinction. The products of aquatic wildlife referred to refer to any part of the rare aquatic wild animals on the verge of extinction and their derivatives.

Article 3. The fishery administration of the State Council supervises the national administrative work of aquatic wildlife.

The fishery administrations of local people's governments at the county level or above supervise the administrative work in their own administrative areas.

The right of fishery administrations to impose administrative punishment stipulated by the Law for Protection of Wildlife and these Regulations can be exercised by their affiliated fishery administration and supervision agencies.

Article 4. People's governments above county level and their administrative units concerned should encourage and support scientific research institutions and teaching units concerned in carrying out research on aquatic wildlife.

Article 5. Fishery administrations and their affiliated fishery administration and supervision agencies have the right to supervise and inspect the implementation of the Regulations. The units and individuals inspected should be cooperative.

Chapter 2: Protection of Aquatic Wildlife

Article 6. The fishery administrations of the State Council and of the people's governments of provinces, autonomous regions and municipalities directly under

the central government should regularly organize investigation of aquatic wildlife resources and set up resource files to provide a basis for the formulation of plans for the protection and development of aquatic wildlife and the formulation and revision of lists of aquatic wildlife under national and local major protection.

Article 7. Fishery administrations should organize various social forces to take effective measures to protect and improve the living environment for aquatic wildlife and also to protect and increase the propagation of aquatic wildlife resources.

All units and individuals are forbidden to damage the waters, habitats and living conditions of aquatic wildlife under national and local major protection.

Article 8. All units and individuals have the right to report to local fishery administrations or their affiliated administration and supervision agencies acts of seizing or damaging aquatic wildlife resources and to accuse the wrongdoers.

Article 9. Any unit or individual that discovers aquatic wild animals which are wounded or stranded or which are trapped in inlets or river branches should report in a timely manner to the local fishery administration or its affiliated administration and supervision agencies so that they can take emergency measures to rescue the animals. They can also request nearby units with the requisite resources for rescue to take emergency measures and report to the fishery administration at the same time. Dead aquatic wild animals are to be handled appropriately by the fishery administration.

Aquatic wild animals caught by mistake during fishing operations should be released unconditionally.

Article 10. Application can be made to the fishery administration of the local people's government for compensation for damage caused by protecting aquatic wildlife under national and local major protection. The local government will provide compensation in accordance with the relevant provisions of the provincial, regional, or municipal people's government when the damage is proved to be true and merits compensation after investigation.

Article 11. The fishery administrations of the State Council and of the people's governments of provinces, autonomous regions and municipalities directly under the central government should designate nature reserves for aquatic wildlife in the major habitats and waters of aquatic wildlife under national and local major protection and propagate and strengthen protective management. Specific measures will be provided by the State Council separately.

Chapter 3: Administration of Aquatic Wildlife

Article 12. Catching and killing aquatic wildlife under national major protection is forbidden.

It is necessary to apply for a special permit for catching aquatic wildlife under national major protection when one of the following situations occurs:

1. Catching is necessary for scientific investigation of aquatic wildlife and aquatic wildlife resources.
2. It is necessary to obtain individuals of species from natural waters or habitats for taming and propagating aquatic wildlife under national major protection.
3. It is necessary to obtain aquatic wildlife under national major protection from natural waters or habitats to undertake scientific research projects above provincial level or medical production tasks assigned by the state.
4. It is necessary to obtain aquatic wildlife under national major protection from natural waters or habitats for propagation and popularization of knowledge about aquatic wildlife, teaching or exhibition.
5. It is necessary to obtain aquatic wildlife under national major protection due to other special circumstances.

Article 13. Procedure for application for special catch permits:

1. Anyone who needs to catch aquatic wildlife under first-class national major protection should apply to the fishery administration of the State Council for a special catch permit with the signed opinion of the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government where the applicant resides and where the catch site is located.
2. Anyone who needs to catch aquatic wildlife under second-class national major protection in their own province, autonomous region or municipality directly under the central government should apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government with the signed opinion of the fishery administration of the people's government of the county where the applicant resides.
3. Anyone who needs to catch aquatic wildlife under second-class national protection outside their own province, autonomous region or municipality directly under the central government should apply for a special catch permit to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government where the catch site is located with the signed opinion of the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government where the applicant resides or works.

Zoological gardens which need to catch aquatic wildlife under first-class national protection should be verified and approved by the construction administration of the

State Council before they apply for special catch permits to the fishery administration of the State Council. Applicants need the verification and approval of the construction administration of the people's government of the province, autonomous region or municipality directly under the central government where their zoological gardens are located for the catching of aquatic wildlife under second-class national major protection before they apply for special catch permits to the fishery administration at the same level.

The administration in charge of issuing special catch permits should decide whether it approves an application within three months from the date of receiving it.

Article 14. Special permits are not issued when one of the following situations exists:

1. The applicants can obtain individuals of species and products of aquatic wildlife under national major protection or achieve their aims by legal, non-catch ways.
2. The application does not conform to relevant state regulations or the equipment or methods used or the time or location chosen for the catch are inappropriate.
3. The aquatic wildlife is not in a condition for catching.

Article 15. Units or individuals that have obtained special catch permits should catch according to the species, numbers, location, time limit, equipment, and methods of catch specified in the special catch permit to prevent accidental injury to aquatic wildlife or damage to its living environment. On completion of the catch, they should apply for inspection to the fishery administration of the county-level people's government where the catch site is located or its affiliated fishery administration supervision agency.

The fishery administration of the county-level people's government or its affiliated fishery administration supervision agency should supervise and inspect the activities of catching aquatic wildlife under national major protection in its administrative area and report the result of its supervision and inspection to the department concerned that approved the catch.

Article 16. Foreigners intending to engage in activities such as scientific investigation, sample collecting, filming or videotaping of aquatic wildlife within China's territory should apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government where the habitats of the aquatic wildlife under national major protection are located. After verification, the administration concerned will submit the application to the fishery administration of the State Council or its authorized unit for approval.

Article 17. It is necessary for those taming and propagating aquatic wildlife under first-class national protection to hold a permit for taming and propagating verified and issued by the fishery administration of the State

Council. And it is necessary for those taming and propagating aquatic wildlife under second-class national protection to hold a permit for taming and propagating verified and issued by the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government.

Fishery administrations can entrust construction administrations at the same level with verifying and issuing permits for taming and propagating to zoological gardens taming and propagating aquatic wildlife under national major protection.

Article 18. The sale and purchase of aquatic wildlife under national major protection or its products are forbidden. It is necessary to apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government to sell, purchase or use aquatic wildlife under first-class national protection or its products for special purposes such as scientific research, taming, propagation or exhibition. The fishery administration will submit the application to the fishery administration of the State Council for approval after it writes and signs its opinion. It is necessary to apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government and obtain its approval for the sale, purchase or use of aquatic wildlife under second-class national protection or its products.

Article 19. Fishery administrations and industrial and commercial administrations of the people's governments above county levels should establish a supervision and inspection system for the operation and utilization of aquatic wildlife and its products and strengthen the supervision and management of the operation and utilization of aquatic wildlife and its products.

That aquatic wildlife and its products which enters trade fairs is supervised and managed by the industrial and commercial administration, while the fishery administration assists. Business concerning aquatic wildlife and its products run outside trade fairs is supervised and managed by the fishery administration, the industrial and commercial administration or their authorized unit.

Article 20. Those transporting or taking aquatic wildlife or its products out of the country should apply to the fishery administration of the county people's government for approval with the special catch permit or the permit for taming and propagation they hold. The county fishery administration will submit their application for approval to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government or its authorized unit. For zoological gardens which need to transport aquatic wildlife under national major protection to each other for propagation, the fishery administration of the people's government of the province, autonomous region or municipality directly

under the central government can authorize the construction administration at the same level to verify and approve their applications.

Article 21. Communications, railroad and civil aviation enterprises as well as postal services should not undertake the transport or accept the sending of aquatic wildlife or its products without a legal transport certificate, and should report the matter to the department concerned.

Article 22. It is necessary to apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government for introducing aquatic wildlife from abroad. The fishery administration of the people's government above provincial level will submit the application to the fishery administration of the State Council for approval after it assigns a particular scientific institution to establish scientific proof of the necessity of the introduction.

Article 23. For the export of aquatic wildlife under national major protection or its products and the import and export of aquatic wildlife which is restricted by the international convention of which China is a member or its products it is necessary to apply to the fishery administration of the people's government of the province, autonomous region or municipality directly under the central government where the import or export unit is located or the applicant resides. The fishery administration will submit the application to the fishery administration of the State Council for approval after verification. Import and export business activities should be undertaken by units that have the right to import and export the commodities concerned.

Import and export of the above-mentioned aquatic wildlife by zoological gardens for exchange should be verified and approved by the construction administration of the State Council before it is approved by the fishery administration of the State Council.

Article 24. Economic returns gained by holding exhibitions of aquatic wildlife or its products should mainly be used in the protection of aquatic wildlife.

Chapter 4: Awards and Penalties

Article 25. Units and individuals that have performed one of the following deeds will be awarded by the people's government above county level or its fishery administration:

1. Outstanding contributions to resource investigation, protection and management, propagation and education and exploitation and utilization of aquatic wildlife.
2. Strict implementation of the Law for Protection of Wildlife with remarkable achievements.
3. Remarkable results in salvage, protection, taming and propagation of aquatic wildlife.

4. Great service in preventing or reporting in a timely manner the discovery of acts violating the law and regulations for protection of aquatic wildlife.

5. Great contributions in the investigation of cases in which wildlife resources have been damaged.

6. Great achievements in scientific studies of aquatic wildlife or remarkable benefits attained in the application and popularization of relevant research results.

7. Engagement in the protection and administration of aquatic wildlife in grass-roots units for five years or more with remarkable results.

8. Other special contributions to the protection and administration of aquatic wildlife.

Article 26. Those who catch or kill aquatic wildlife under national major protection should be investigated to determine their responsibility for the crimes in accordance with the Supplementary Stipulations for Punishing Crimes of Illegal Catching and Killing of Rare Aquatic Wildlife Under National Major Protection on the Verge of Extinction adopted by the Standing Committee of the People's Congress. If the offenses are obviously light and the harm done is not serious or the crimes committed are not serious enough for trial and sentencing, the fishery administration will confiscate the animals caught and the catching equipment and illegal gains of the offenders, revoke their special catch permits and impose fines not exceeding 10 times the value of the animals caught. Fines imposed on those offenders without catches will not exceed 10,000 yuan.

Those destroying the main habitats of the aquatic wildlife under national or local major protection in nature reserves for aquatic wildlife in violation of the law and regulations for protection of wildlife are subject to a fine according to Article 37 of the Law for Protection of Wildlife. The range of fines imposed on offenders will not exceed three times the cost of restoration of the damaged site to its original condition.

Article 28. Those selling, purchasing, transporting or carrying aquatic wildlife under national or local major protection or its products in violation of the law and regulations for protection of wildlife will be punished by the industrial and commercial administration or its authorized fishery administration. The objects and illegal gains are subject to confiscation and the fine imposed on offenders will not exceed 10 times the value of the objects.

Article 29. Those forging, selling, or transferring permits for taming and propagation are subject to a fine according to Article 37 of the Law for Protection of Wildlife, the range of fine not to exceed 5,000 yuan. Those forging, selling, or transferring special catch permits or import and export certificates are subject to a fine according to Article 37 of the Law for Protection of Wildlife. The range of fines will not exceed 50,000 yuan.

Article 30. For those who tame and propagate aquatic wildlife under national major protection without a permit for taming and propagation or who exceed the range assigned by the permit for taming and propagation in violation of the law for protection of wildlife, their illegal gains will be confiscated and a fine not exceeding 3,000 yuan will be imposed on them by the fishery administration. At the same time their aquatic wildlife can be confiscated and their permit for taming and propagation revoked.

Article 31. For foreigners who engage in scientific activities such as scientific investigation, collection of samples, filming, and videotaping within China's territory without approval, the data and samples collected and the film shot during investigation will be confiscated by the fishery administration. At the same time a fine not exceeding 50,000 yuan can be imposed on them.

Article 32. Those who act in one of the following ways which do not yet constitute a crime will be punished according to the Regulations of the PRC for Security Administration and Punishment:

1. Obstructing inspectors from fishery administrations and hindering their carrying out their duty according to law;
2. Stealing, looting or purposely impeding the instruments, equipment or facilities for protection of aquatic wildlife.

Article 33. Objects confiscated according to the law and regulations for protection of wildlife will be disposed of according to the relevant regulations set by the fishery administration of the State Council.

Chapter 5: Appendices

Article 34. The fishery administration of the State Council is responsible for the interpretation of these Regulations.

Article 35. The Regulations are to come into effect on the date of promulgation.

Military

Article Views Changing Arms Industry, Deng's Role

HK1412101093 Beijing XINHUA Domestic Service in Chinese 2122 GMT 6 Dec 93

[By RENMIN RIBAO reporter Cao Huanrong (2580 3562 2837) and XINHUA reporter Jia Yong (6328 3057)]

[Text] Beijing, 7 Dec (XINHUA)—Peace and development is the theme for all mankind.

Ahead of this trend of the times, China, which has started implementing a strategy of changing military industries into civilian ones, is undoubtedly a pioneer.

Following the road of using military industrial technology to benefit the people, the contribution of China's national defense industry to mankind is like a great monument which draws the world's attention.

I

Fifteen years ago, people were generally not familiar with the changing military industries into civilian ones, and the output value of civilian products by our country's military industries at that time was only 8.1 percent of those industries' total output value. Now, people are enjoying the fruits of the peaceful use of military industrial technology almost every day.

One-fifth of the cameras produced in the country come from military enterprises, and 65 percent of motorcycles are made by military factories. "Passenger vans," which we see in the main streets of Beijing, now carry as many passengers as the subway system, and three-fourths of these moving "yellow cabs" are produced by arsenals. Even the steamed buns we eat and the clothes we wear every day have been imbued with the achievements of military industrial technology. Our country has used radiation technology to cultivate 325 new breeds of farm products, and increase grain output by 4 billion kg and cotton output by 200 million kg every year. Naval shipyards, which produced warships and gunboats in the past, are now capable of producing huge civilian cargo ships; arsenals which produced guns and cannons in the past now undertake such projects as the huge 200-meter chimney for Baoshan Iron and Steel Corporation and the steel structure of the Yangpu Bridge—the world's first slanting suspension bridge. The "project to launch the Australian satellite," the Beijing particle collider, and the key state projects of the Qinshan and Daya Bay Nuclear Power Plants are brilliant examples of the most advanced national defense technology transformed into civilian use. Even our country's first huge "Milky Way-II" supercomputer, which was successfully manufactured by the University of Science and Technology for National Defense last year, has the State Meteorological Administration as its first user. Large passenger aircraft produced jointly by military enterprises and McDonnell Douglas Corporation have taken off and sold back in the United States.

In 1985, our country's technology market was still in a difficult condition of gestation. In March 1985, in Hangzhou, the first trade fair aimed at transforming military industrial technology for civilian use secured 3,200 technological transfer contracts on the spot, and this became a catalyst to build a technology market in the future; one year later, in Shenzhen, the first China Technology Fair was held, and this showed that our country was no longer a simple technology importer but a technology exporter. The 1,000 or so high and new technologies offered by six departments under the national defense industrial system were sought by customers from more than 20 countries and regions.

These are not the only things that changing military industrial technology to civilian use has won for our country.

At the 1993 Hong Kong International Exhibition on the Peaceful Use of Military Industrial Technology, held in Hong Kong in July this year, the Chinese delegation displayed a great variety of items and, in just a week, secured deals amounting to \$2.5 billion. This became the most important news during the exhibition. A Chinese official announced: After implementing the policy of transforming military industrial technology for civilian use for 15 years, the output value of civilian products by China's military enterprises is increasing by 20 percent on average every year. The civilian products developed by them involve 20 trades and domains, and are sold to more than 30 countries on five continents. In 1992, the output value of civilian products by military enterprises surpassed 70 percent of their total output value.

II

The above-mentioned things added a hot topic to the 1993 Hong Kong International Conference on Cooperation to Promote Conversion from Military to Civilian Industry, which was held simultaneously with the exhibition: How could China score such marked results in the peaceful use of military industrial technology in such a short time?

When answering questions raised by experts and reporters from various countries, Huai Guomo, honorary chairman of the China Association for the Peaceful Use of Military Industrial Technology, was quite excited. He knew that it was Deng Xiaoping who had made important decisions three times to promote three historic leaps in China's effort to change military technology to civilian use, thus leading to today's splendid situation.

At the end of 1978, after that very meeting which had the significance of a landmark and which decided upon a shift in the key point of the work of the whole party [Third Plenum of the 11th CPC Central Committee], the problem of where science, technology, and industry for national defense should go was put on the agenda of the central decisionmaking level.

After 30 years of hard work to establish our undertakings, the country had already built a complete scientific, technological, and industrial system for national defense and possessed a large number of outstanding scientists and technicians as well as good instruments and equipment. Such strength could undoubtedly have a great impact on the country's modernization construction.

At an important meeting, Deng Xiaoping thoroughly expounded the 16-character principle for adjusting the national defense industry: Integrating military with civilian products, integrating peace with war, ensuring military products first, and sustaining the military with civilian products.

This was a vision which could only be possessed by a person who understood the changes in the world. It came from Deng Xiaoping's correct judgment on war and peace. He predicted: A world war would not erupt for 20 years.

This prediction enabled our country to take the lead in responding to the highly complicated international situation, and shifted the track from near-war conditions to peacetime. The proposals in the 16-character principle pointed out a direction for the development of the national defense industry in periods of peace. Hence, China's national defense industry started a second pioneering enterprise in finding a way to survive and develop in the main economic battlefield.

In the summer of 1985, the courage and vision of Deng Xiaoping as a strategist once again shocked the world. In the East Room of the Great Hall of the People, this commander of the three arms of the services announced to the world, with one finger up: China would reduce 1 million troops. He also pointed out that the national defense industry must give play to its strong points in science, technology, and personnel; must "join the construction of the whole country"; the "Air Force and Navy must spare some airfields and ports for both military and civilian use"; and there is "every advantage and not a single disadvantage" to this.

Due to this courage of Deng Xiaoping, 2,546 kinds of military technology were made available to the public, and a number of important closed military bases had their mysterious veils raised. In just a few years, military industrial enterprises invested more than 3 billion yuan to establish 475 production lines for civilian use, and at the same time, the State Council and the Central Military Commission made a decision to officially list changing military technology to civilian use in the state's development strategy.

In 1992, Deng Xiaoping's southern tour speech once again provided an opportunity for a historic leap in changing military technology to civilian use. Military industrial enterprises adapted to the changes brought about by the socialist market economy and diligently explored various operational styles, such as the joint-stock system and Sino-foreign joint ventures. With a reorganization of the elements of production as its symbol, the national defense industry, which had already completely entered the main national economic battlefield, has jumped out of the mountains, jumped to the coastal regions, and jumped overseas in the past several years, and once again won huge operational space as well as development space.

However, the three leaps of changing military technology to civilian use in China has not been easy. In particular, third-front military industrial enterprises, which account for a large proportion of our national defense industry, are situated in the West and do not enjoy convenient transportation; for this and other reasons, at the beginning of the change to civilian use, they experienced a lot

of labor pains. However, the Chinese Government has always attached importance to implementing a strategy of changing military technology to civilian use, therefore, third-front enterprises, guided by the state's policy, very quickly tided over these labor pains characterized by the beginning of a change of track. Along with the implementation by the State Council of a series of adjustments and reforms, such as closing, stopping, merging, changing, and relocating military industrial enterprises in the remote and mountainous areas of Yunnan, Guizhou, Sichuan, and Shaanxi, third-front enterprises have already accomplished more than 100 major technological reforms and developed more than 60 new products which are famous and excellent. All of the 121 units which were scheduled to undergo adjustments during the Seventh Five-Year Plan period, accomplished these adjustments, and their output value has increased by 158 percent over the period before the adjustment, and their profits and taxes increased by 124 percent. The 115 enterprises scheduled to be adjusted in the Eighth Five-Year Plan period are undergoing adjustment smoothly, and their annual output value and sales income in 1992 increased by 97 percent and 43 percent respectively over 1990. Some 70 enterprises have been wholly or partly relocated, and 800 enterprises have established 1,200 "windows" in the open coastal regions to adapt to changes in the interior and the newly emerging economic belts, and a pattern in which villages are surrounding and reoccupying cities is taking shape. Economists predict: When the military industrial enterprises "take the lead," the whole economic "body" in the West will rise.

III

At the Beijing International Seminar on Changing Military Technology to Civilian Use, an official from the UN Disarmament Committee said: When it comes to the peaceful use of military industrial technology, "the United States knows how to do it, but does not want to do it; the Soviet Union wants to do it, but does not know how to do it; China has been doing it for more than 10 years and scored great results, but other people do not know how you do it...."

That was 1991. That kind of comment is certainly correct.

Two years have elapsed, and along with the changes in the global pattern and adjustments in strategy in various countries, the peaceful use of military industrial technology for the benefit of mankind is rising to become a common topic in the world. UN Secretary General Ghali sent a letter to the 1993 International Conference on Cooperation To Promote the Conversion of Military Industrial Technology to Civilian Use, saying that the "conversion of military industrial technology to civilian use is a basic goal of the UN," and "the UN General Assembly fully emphasizes the importance of pursuing this major goal."

Our country's unique experience in changing military technology to civilian use has drawn attention from various countries. Russian leaders have instructed their personnel to study China's experience specifically in changing military technology to civilian use in order to find a way out for several hundred military industrial enterprises; since the 1990's, it has held four international conferences on changing military technology to civilian use, and, without exception, has invited Chinese experts to introduce China's experiences; and Chinese representatives were invited to the U.S.-Russia conference on changing military technology to civilian use, which was held in the United States in December 1992. (William Perry), chairman of the conference, said that China had been very successful in "changing military technology to civilian use" and its experiences could be borrowed by the United States and Russia.

On 15 July 1993, representatives from 18 countries and regions participating in the 1993 International Conference on Cooperation to Promote Conversion from Military to Civilian Industry, unanimously adopted the Hong Kong declaration on changing military technology to civilian use:

"Peace and sustained development in the world is the common wish of the peoples of various countries. Disarmament and peace promote each other. The conversion from military to civilian industry is an indispensable link in consolidating disarmament and peace...."

Ranking Officers Study Theory of Socialism

OW1312113393 Beijing XINHUA Domestic Service in Chinese 0502 GMT 9 Dec 93

[By reporter Jia Yuping (6328 3768 1627)]

[Text] Beijing, 9 Dec (XINHUA)—Following the 14th CPC Congress, regiment-level and higher ranking officers of the Armed Forces have been earnestly studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, considering the study as compulsory for national and military construction during the new period. They have also achieved conspicuous results in applying the theory in their work.

After the 14th party congress set the strategic task of arming all party members with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the Central Military Commission stressed that priority should be given to making sure the theory is properly studied by leading cadres at all levels. The General Political Department soon drew up a study plan for regimental-level and higher ranking cadres. In addition to commissioning the National Defense University to hold rotational training classes for corps-level and higher ranking officers and to hold report meetings and symposiums for officers of major units in Beijing and of the entire Armed Forces. The 1,620 rotational training classes that have been held so far have trained over 70 percent of regimental-level and higher ranking officers.

Holding firmly to the core of the theory on building socialism with Chinese characteristics during the course of study, the regimental-level and higher ranking officers have become firmer and more aware of the need to uphold the party's basic line for 100 years without wavering. As result of the systematic and thorough study and reaffirming the status of the party's basic line in this theoretical system, these ranking officers have to come to fully understand that upholding the party's basic line is essential for building a strong country, and so they have turned upholding the party's basic line into actions of following the party's and the state's major decisions. As reform and the socialist market economy continue to deepen and develop, military leaders at various levels are also studying ways and means to deal with the new situations and new problems concerning military construction, focusing on the major issue of "how to make the troops more coherent and more combat effective during the development of a socialist market economy." Now, all ranking military officers, from those working in headquarters offices to those in field units, are earnestly exploring how to intensify and improve ideological and political work and educational supervision, enforce disciplinary rules, and arouse enthusiasm in training troops under the new situation; how to improve ways of ensuring, delivering, and stocking supplies; and how to establish logistics control mechanisms which integrate administrative, economic, and ideological measures with regulations so that economic affairs in the military can become compatible with the socialist market economy. This not only has deepened the study of the theory on socialist market economy, but also has given the military effective guidance.

Thoroughly studying Comrade Deng Xiaoping's thought on military construction during the new period in conjunction with the current situation and tasks is another major project which regiment-level and higher ranking officers in the military undertake in studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. To improve their military proficiency, political awareness, technical expertise, and command capability as well as to reaffirm the central role of military training in the military, these ranking officers are also studying Comrade Deng Xiaoping's thought on military construction during the new period in a systematic manner. Thanks to the commanding officers' undivided attention to training and to close coordination between the headquarters and political and logistics departments, the quality of training has improved noticeably. Leading officers at all levels, especially senior officers, are now taking the lead in studying high technology and modern warfare and its special features and laws, actively launching training reform, readjusting the training curricula, and increasing the degree of difficulty in training. This has created a gratifying situation marked by the exploring of new tactics, and new ways of training, for fighting a modern day people's war.

While studying the theory on building socialism with Chinese characteristics, leading officers at all levels in

the Armed Forces are also striving to build stronger leading bodies and improving their own leadership. This has expedited military construction and other projects in the military. Focusing on implementing the Central Military Commission's "Decision on Carrying Forward the Fine Traditions and Intensifying Ethical Construction," these ranking officers have been repeatedly studying Comrade Deng Xiaoping's expositions on the need to fight corruption throughout the process of reform and opening up, studying Comrade Jiang Zemin's speech that high-ranking cadres must take the lead in fighting corruption and encouraging ethical conduct, and incisively analyzing the state of party conduct and ethics during the development of the market economy. They point out that, as leading cadres, they must never ignore the fundamental requirement of remodeling their world outlook and view of life, always remember the aim of serving the people wholeheartedly, properly use the powers given by the people, and always maintain the real revolutionary character of waging arduous struggle. Now, all military units have made it a practice to hold sessions of democratic life to examine their own performance, rectify their own misdeeds, and devise ethical measures for dealing with practical problems.

Regiment-level and higher ranking cadres in the PLA also pay close attention to integrating the study of Comrade Deng Xiaoping's strategic thinking and theoretical viewpoints with the study of his scientific approach. This has made them more aware of the need to take the whole situation into account, to deal with new problems with new ways found from conducting investigation and study, and to do their work creatively through integrating higher authorities' decisions with their own actual situations. Now the specific guidance for intensifying military construction has ensured that all general and specific policies of the party Central Commission and the Central Military Commission are implemented in the military.

PLA Examines Weaponry Management in Army

*HK1412142393 Beijing JIEFANGJUN BAO in Chinese
29 Nov 93 p 1*

[By special correspondent Zhu Xinjian (2612 2450 1696): "Sample Inspections, Investigation, and Study of Weaponry Management Launched Throughout the Army"]

[Text] Not long ago, the Armament Department of the People's Liberation Army General Staff Headquarters carried out spot checks, investigation, and study of weaponry management throughout the Army. This was a relatively full-scale examination of the work of weaponry management throughout the Army three years after the goal of doing the work of weaponry management in a scientific, systematic, and regular fashion was achieved. The relevant departments of the General Staff Headquarters, the General Logistics Department, and other major units took part in this event.

The conditions of weaponry management in over 90 brigades and regiments were examined, investigated, and studied. During the examination, mistakes were rectified, opinions were listened to, and problems were discussed. Through this method, the Armament Department joined hands with the troops to discuss the issue of strengthening the work of weaponry management in the new period so as to achieve the goal of mutually promoting and broadening the working ideology of weaponry management.

PLA Logistics Reforms Materials Supply Systems

OW1412144693 Beijing XINHUA Domestic Service in Chinese 0303 GMT 9 Dec 93

[By reporters Zhang Dongbo (1728 2639 3134) and Li Songqing (2621 2646 7230)]

[Text] Beijing, 9 Dec (XINHUA)—Our reporters have learned from relevant departments of the People's Liberation Army (PLA) General Logistics Department that, in an effort to keep abreast of the new situation of developing a socialist market economy, Army materials departments at all levels have adopted compensation trade, joint military-civilian materials allocation and transportation, and other new measures in a process of in-depth reform to ensure the supply of materials necessary for the Army's key engineering projects and other construction work.

Working toward becoming more market oriented while relying on the country's principal channel of circulation, the Army's logistic departments have taken the initiative in establishing long-term cooperative relations with supply enterprises. To arrange delivery of scarce materials which are urgently needed by the Army, the departments pay enterprises a specified amount of money and establish a kind of compensatory trade relationship with them to obtain the materials from factories on a priority basis. The Logistics Department of the Second Artillery Corps has established such ties with the Tieling Steel Mill, Anyang Cement Plant, and more than 30 other enterprises in recent years. As a result, it has been able to maintain a materials delivery rate of more than 90 percent.

To cope with the increased role of the market in supplying oil in various localities and the shortage of railway transportation, early this year the Logistics Department of Jinan Military Region, with the help of the local authorities, set up a joint military-civilian oil allocation and transportation system to provide oil for use by the region's ground, sea, and air forces. A leading group in charge of joint military-civilian oil allocation and transportation in the Jinan Military Region was established. Comprising the railway authorities, the oil producing and supply company, the military transportation department, and the military representative office, the leading group integrated oil supply, transport, and refining for the three armed forces in the region. It represents a new military oil supply system which operates under market

economic conditions. As a result, the oil supply and delivery rate has risen from 40 percent to 100 percent. In addition, the region has also been able to collect oil which was not delivered in the past.

Army materials departments have also oriented themselves toward the market and adopted strong measures to strengthen macroeconomic coordination. All the Army's large units have established "materials supply coordination centers" which can centrally arrange the supply of important, large-quantity materials and can trade with the civilian sector any materials it has been allocated which are unsuitable for the Army. This has effectively increased the Army's supply and improved its logistics efficiency.

Over 500,000 Demobilized Soldiers Seek Employment

HK1412065593 Beijing CHINA DAILY in English 14 Dec 93 p 3

[By staff reporter Liang Chao: "State Bids to Resettle Ex-Soldiers"]

[Text] More than 500,000 Chinese soldiers now being demobilized are expected to place an extra strain on China's job situation.

The demobilization process has just begun and the number of soldiers involved is about the same as last year.

It has been getting harder for the government to resettle the large numbers of ex-soldiers demobilized each year.

The effects of the latest batch of soldiers to be demobilized are expected to be felt in the country's already-crowded labour market early next year.

China currently faces increasing employment pressures as its urban jobless rate is expected to hit 3 to 4 percent—4 to 5 million—within a few years.

One measure being considered is to require the country's more than 150,000 foreign-funded enterprises and a large number of non-State bodies to hire ex-soldiers.

"The government is making every effort to resettle the large number of demobilized soldiers," the official said.

Half of the men were drafted from urban areas. They are expected to be assigned jobs in State-run enterprises, government departments, or institution, later next year.

Ensuring jobs for ex-soldiers from urban areas has been a government policy for the past few decades. Likewise, the government has aimed to improve the living conditions of those returning to rural areas. The official pledged that this policy will not be changed.

The policy led to jobs being assigned to more than 250,000 urban soldiers demobilized in 1992. The draftees accounted for 24 per cent of China's newly-employed urban people in the first half of this year.

But from next year an important reform will be introduced into the annual replacement programme.

The official said in future demobilized soldiers to be hired by State-run enterprises will have to sign labour contracts with their work units. They will have to agree to be "contract workers instead of being simply assigned jobs as permanent staff," the official said.

This reform is a necessary part of the government's restructuring of its economic system.

The country is gradually adopting a labour contract system. This allows ventures to hire and fire workers instead of passively receiving State-assigned employees.

Meanwhile, to protect the interests of demobilized troops, the government has already worked out a five-point preferential treatment plan.

The scheme will require local authorities to guarantee employment opportunities to ex-soldiers in urban areas with a long-term labour contract.

Newly hired ex-soldiers should be given at least one year to get familiar with their new jobs. Work units should give them professional training and should not be allowed to fire them during this period.

Economic & Agricultural

Further Provisional Tax Regulations Issued

OW1412145093 Beijing XINHUA in English 1426 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Chinese State Council today promulgated two sets of provisional regulations, which had been approved at the 12th Executive Conference of the State Council.

One is the "provisional regulations on corporate income tax" and the other is "provisional regulations on land value added tax".

The first applies to domestic enterprises' net income at home and abroad, with a tax rate of 33 percent.

The second set of regulations aims to normalize the order of real estate business in the country.

The provisional regulations will take effect on January 1, 1994.

Li Peng Signs Interim Regulation Decrees

For Value-Added Tax

OW1412181293 Beijing XINHUA Domestic Service in Chinese 1359 GMT 13 Dec 93

[Text] Beijing, 13 Dec (XINHUA)—Decree No. 134 of the State Council of the People's Republic of China:

The "Interim Regulations of the People's Republic of China on Value-added Tax" were passed at the 12th Executive Meeting of the State Council on 26 November 1993 and are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng
[Dated] 13 December 1993

On Business Tax

OW1412181593 Beijing XINHUA Domestic Service in Chinese 1422 GMT 13 Dec 93

[Text] Beijing, 13 Dec (XINHUA)—Decree No. 136 of the State Council of the People's Republic of China:

The "Interim Regulations of the People's Republic of China on Business Tax" were passed at the 12th Executive Meeting of the State Council on 26 November 1993 and are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng
[Dated] 13 December 1993

On Consumption Tax

OW1412182093 Beijing XINHUA Domestic Service in Chinese 1423 GMT 13 Dec 93

[Text] Beijing, 13 Dec (XINHUA)—Decree No. 135 of the State Council of the People's Republic of China:

The "Interim Regulations of the People's Republic of China on Consumption Tax" were passed at the 12th Executive Meeting of the State Council on 26 November 1993 and are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng
[Dated] 13 December 1993

For Enterprise Income Tax

OW1412181493 Beijing XINHUA Domestic Service in Chinese 0227 GMT 14 Dec 93

[Text] Beijing, 14 Dec (XINHUA)—Decree No. 137 of the State Council of the People's Republic of China:

The "Interim Regulations of the People's Republic of China on Enterprise Income Tax" were passed at the 12th Executive Meeting of the State Council on 26 November 1993 and are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng
[Dated] 13 December 1993

On Value-Added Land Tax

OW1512081093 Beijing XINHUA Domestic Service in Chinese 0247 GMT 14 Dec 93

[Text] Beijing, 14 Dec (XINHUA)—Decree No. 138 of the State Council of the People's Republic of China:

The "Interim Regulations of the People's Republic of China on Value-Added Land Tax" were passed at the 12th Executive Meeting of the State Council on 26 November 1993 and are hereby promulgated for implementation effective 1 January 1994.

[Signed] Premier Li Peng
[Dated] 13 December 1993

Article Views Levying of Consumption Tax

HK1412075593 Beijing RENMIN RIBAO in Chinese 1
Dec 93 p 2

[Article by Li Lan (2621 5695) from "Random Talk on Taxation Reform" column: "On the Consumption Tax"]

[Text] [Question] The state will considerably reform the tax system next year, and one of the reform measures is to levy a consumption tax. Could you tell us something about the consumption tax?

[Answer] To put it in simple terms, a consumption tax is a type of tax levied on special consumer goods and special consumption behaviors. It has the following characteristics: First, it is only levied on some selected consumer goods and some consumption behaviors. Second, it is levied on either the process of production, the circulation, or the consumption of consumer goods, not on all of these links. Third, the disparity in tax rates and in the amounts of tax payable is determined in accordance with the variety, grade, structure, and function of different consumer goods or with the measures of particular ingredients in the consumer goods; with the supply-demand situation; and with consumer price levels. Fourth, with regard to the means of tax collection, we can either fix the amount of tax payable per unit of particular consumer goods and then work out the total amount payable from the number of consumer goods or fix the tax rate for consumer goods or consumption behaviors in accordance with their prices. Fifth, the tax burden is transferable, that is to say, on whatever link the consumption tax is levied and whether it is already added to the price or will be added on top of it, the consumption tax that consumer goods carry is ultimately transferred to and shouldered by the consumer.

[Question] Is consumption tax a new type of tax?

[Answer] The history of levying tax on consumer goods dates back a very long time in Chinese history to when the Western Han Dynasty began levying tax on liquors, or to the period of the Roman Empire in foreign history. The goods tax, the commodity circulation tax, the industrial and commercial consolidated tax, and the industrial and commercial taxes levied since new China was founded and the current product tax and value-added tax, comparatively high rates of which are levied on some consumer goods such as cigarettes, liquors, cosmetics, and processed edible oils, all possess the nature of a levy on consumer goods. Therefore, we can say that China has a long history of levying tax on consumer

goods. Consumption tax is not a new type of tax, but the point is we did not call it consumption tax in the past.

Internationally, a consumption tax or a tax possessing the nature of a consumption tax is a form of levy generally adopted by countries around the world. According to incomplete statistics, over 120 countries around the world levy a consumption tax.

[Question] What is the significance of levying a consumption tax in China?

[Answer] It is of significance in the following aspects: First, it helps collect funds for socialist construction. Second, it helps correctly guide the direction of consumption, curb unduly high levels of spending and institutional consumption needs, and adjust the consumption structure. Moreover, it makes it possible to regulate incomes and resolve the phenomenon of unequal distribution. Fourth, it can limit the production of some special consumer goods. China is a big consumer of cigarettes and liquors, cigarette and liquor output reaching 32 million cartons and 6 million tonnes respectively. As everyone knows, excessive consumption of cigarettes and liquors not only endangers human health, the ecological environment, and public order, but also causes huge social waste. Therefore, it is necessary to limit their production through the levying of a consumption tax, and this is what we often call the policy of "banning with levies."

[Question] How to delimit the scope within which the consumption tax is to be levied in China?

[Question] In choosing the scope within which the consumption is to be levied, we mainly take into consideration the following factors. First, China's present economic development status and its consumption level. Second, the state's financial needs. Third, the status of resource supplies and consumer demand. Fourth, the structure of the people's consumer demand and what they can endure psychologically. Fifth, foreign experiences of success and workable methods.

Based on the above considerations, we maintain that the following consumer goods can be included in the scope of consumer goods to have a consumption tax levied on them: The first category is some special consumer goods whose excess consumption will endanger human health, the ecological environment, and public order such as cigarettes, liquors, firecrackers, and fireworks. The second category is some luxuries and nonessential consumer goods such as jewelry, personal ornaments, cosmetics, and videocameras. The third category is high-grade consumer goods that consume a lot of fuel such as sedans, motorcycles, and air-conditioners. The fourth category is some irreplaceable and nonsubstitutable resources such as gasoline and diesel oil. The fifth category is some products with a certain financial significance.

[Question] Will the levying of a consumption tax increase the masses' burden? Will it spark off a rise in commodity prices?

[Answer] First, income from the consumption tax comprises a separated part of the income from the product tax and value-added tax currently levied, and its formation is only a changeover of income from the old tax system to the new tax system. Judging from the tax burden for the consumer goods selected for the levying of the consumption tax, these goods basically maintain their original tax burden after the consumption tax has been levied on them. Second, the consumer goods selected for the levying of the consumption tax are generally special consumer goods, luxuries, and nonessential goods. Third, judging from the consumer choice of the taxable consumer goods, consumers should generally possess a comparatively high purchasing power and high incomes, that is to say, the consumption tax is a tax shouldered by those consumers who have the corresponding purchasing power.

One can see from the points mentioned above that the levying of a consumption tax will not increase the burden of the masses, nor will it cause a rise in commodity prices.

Tax Official Discusses 1994 Reform Measures

OW1412153593 Beijing XINHUA in English 1517 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Jin Xin, director of the State Administration of Taxation, said here today that China's reforms of the tax system in 1994 are to meet the demands of the establishment of a socialist market economy.

He said that the reforms aim to unify taxation, simplify the tax system, ensure fair taxation, streamline the means of distribution and guarantee state financial income.

He said that the reforms will mainly involve the indirect tax system, enterprise income tax, individual income tax and most local taxes.

Indirect taxes include value-added taxes for industrial and commercial enterprises, consumption taxes for a number of consumer goods and business taxes for labor services, transference of invisible assets and immovable estate.

He said that the enterprise income tax will unify the taxes for state enterprises, collective enterprises and private enterprises at a tax rate of 33 percent.

He said that the income tax rate for domestic enterprises will be equal to the income tax rate for foreign-funded enterprises.

He noted that the individual tax income reform is aimed at regulating the distribution to individuals so as to alleviate the contradictions caused by uneven distribution in society.

He said that the tax reforms are meant to adjust the tax structure and will not increase the burden on taxpayers since the total tax payment will remain unchanged.

Further on Remarks

OW1512144993 Beijing XINHUA Domestic Service in Chinese 1130 GMT 14 Dec 93

[Interview with Jin Xin, director of the State Administration of Taxation, by unidentified reporters on 14 December; place not given]

[Text] Beijing, 14 Dec (XINHUA)—At a time when the State Council has promulgated the new taxation regulations such as the regulations on value-added tax, Jin Xin, director of the State Administration of Taxation, today answered reporters' questions on tax reforms for 1994 and other related issues.

[Reporter] What is basic guiding principle for the reforms of the tax system?

[Jin Xin] The existing tax system in our country, which took shape step by step in the process of the reform of the economic structure since the introduction of reform and opening to the outside world, is clearly transitional in nature. The system includes too many categories of taxes; moreover, its structure is not rational enough. Therefore, to establish a tax system suited to a socialist market economy, we will, in reforming the tax system, keep to the following guiding principles: unifying taxation, simplifying the tax system, ensuring fair taxation, ensuring rational division of power, streamlining distribution relationships, standardizing the means of distribution, and guaranteeing financial income.

[Reporter] What are the main features of the reforms of the tax system for next year?

[Jin Xin] The reforms of the tax system will involve the indirect tax system, enterprise income tax, individual income tax, and most local taxes.

In reform of the indirect tax system, the principle of universal taxation and a simplified and unified tax rate that meets the demands of a mechanism for competition will be implemented. The burden for total tax payment will basically remain the same. The main contents of indirect taxes are: levying of value-added taxes will be implemented in an all-round way for various production links and wholesale and retail sale businesses; consumption tax will be additionally levied on a selected small number of consumer goods on the basis of levying the value-added tax; and business taxes for labor services, transfer of invisible assets, and sale of immovable estate will be levied.

In enterprise income tax reform, the taxes for state-run enterprises, collectively run enterprises, and privately run enterprises will be unified as income taxes for internally financed enterprises, in order to change the present state in which different taxes and tax rates are applied for enterprises according to the different types of ownership. The unified income tax rate for all internally financed enterprises will be 30 percent, which will be the same for foreign-invested and foreign enterprises. In income taxes, pretax expenditures must be handled in accordance with tax laws. To enhance the ability of enterprises to repay investment loans, beginning next year state-owned enterprises will be exempted from delivering to the state funds for the construction of key energy and transport projects and budget regulatory funds from their after-tax profits. In addition, appropriate steps will be taken to speed up the depreciation rate of state-owned enterprises and the process of making payment of loans and interest a part of their costs. After unifying the income taxes of internally financed enterprises, it is necessary to standardize enterprises' mechanisms in applying for and repaying loans for capital construction and for technical transformation; the present method of contracting for the income tax of an enterprise will be suspended after the new income tax measures are adopted.

The purpose of individual income tax reform is to regulate the distribution of individual income and to alleviate the contradictions caused by unfair distribution in society. Specific methods will be adopted to revise the individual income tax law and abolish the regulatory tax for individual income and income taxes for individuals engaged in industrial and commercial businesses, so as to establish a unified individual income tax system. Individual income taxes will be levied at progressive rates. The main purpose is to levy more taxes from high-income people and to levy lower taxes or no taxes from people with lower income.

Reform of other taxes is aimed chiefly at optimizing the structure of the tax system and at creating the necessary conditions for implementing the "revenue-sharing system." It is necessary to merge some taxes while abolishing others and adjusting the burdens for some category of taxes. In addition, it is necessary to begin levying some new taxes, for example, value-added land taxes that regulate transactions in real estate.

After accomplishing the reforms mentioned above, China's industrial and commercial taxes (including customs tariffs and agricultural taxes) will be cut from 32 to 18 categories. High efficiency and simplification will be initially accomplished as the structure of the tax system becomes more rational.

[Reporter] Why do we collect value-added taxes from all industrial and commercial enterprises?

[Jin Xin] Value-added taxes are a kind of indirect tax targeted at newly increased values or added commodity values in various stages of commodity production and

distribution. They help eliminate the undesirable practice of collecting taxes on top of the original levies under the conventional indirect tax system. They help maintain tax burdens for similar products despite changes in the production processes while preserving the distinctive features of providing extensive sources of indirect taxes as well as timely and steady sources of tax revenue. Value-added taxes are internationally acknowledged "neutral" taxes with a higher degree of transparency. They are not only beneficial to organizing financial revenue but are also instrumental in encouraging enterprises to select optimum production and management modes in accordance with the principle of economic returns, introducing complete tax refunds on export products in accordance with international practice, and increasing the competitiveness of domestic products in the international market. In terms of the taxation scope, the value-added taxes our country used to collect experimentally were confined to some industrial goods because the taxes did not meet the requirements of fair taxation in both concept and practice. Furthermore, the wide range of tax rates resulted in elaborate tax computing methods and distorted tax deductions. Consequently, value-added taxes did not play their full roles. Reform of value-added taxes lies at the core of our current effort to reform the industrial and commercial tax system. Aside from expanding the taxation scope, we will thoroughly simplify and merge various tax rates and introduce a basic rate of 17 percent and a low 13 percent as each additional rate. Next, we will implement a tax offsetting and deduction system based strictly on invoice-listed taxes to ensure steady revenue and consistent tax burdens. For this reason, value-added taxes should be computed on the basis of excluding prices from taxes through the adoption of special invoices. Except for the retail sector, invoices for value-added taxes should list taxes and prices separately.

[Reporter] Will reform of the tax system increase enterprises' tax burdens?

[Jin Xin] The current reform of the tax system places particular emphasis on adjusting the tax structure. According to the State Council's plans, the overall tax burden will remain unchanged. This is the basic principle for devising tax rates. This practice is reasonable and feasible because it ensures that the state's financial revenue will not decrease as a result of reform and the overall tax burden of enterprises will also not increase. Nevertheless, some changes in the tax burdens of different products and enterprises are inevitable because of changes in the tax structure and in the taxable stages of commodity production and distribution. Mindful of this prospect, we did our best to introduce measures aimed at coordinating various tax categories to reduce the impact when devising our scheme. Moreover, the state will formulate transitional policies as necessary to further diminish the adverse effects of growing tax burdens for a few products and trades.

[Reporter] Will the collection of consumer taxes on a few commodities, in addition to value-added taxes, lead to price increases?

[Jin Xin] The collection of consumer prices will not lead to price increases. A small number of people in some localities now have a misconception. They think consumer taxes are additional commodity taxes and may lead to price hikes. In reality, the prices of 11 commodities subject to consumer taxes—including tobacco, liquor, cosmetics, expensive jewelry, gasoline, diesel oil, compact cars, and motorcycles—have always contained varying amounts of indirect taxes. Moreover, the ratios of taxes included in the prices of these commodities have always been relatively high. Value-added taxes imposed on these commodities at unified rates during our current reform of the tax system are lower than the original amounts of indirect taxes. According to general international practices and state consumption policies, we are merely converting into consumer taxes, for separate collection, the portions of the original taxes for the aforementioned consumer goods that are in excess of value-added taxes. Therefore, the overall tax burden for these commodities will not increase, and it will not fuel price hikes. Additionally, consumer taxes continue to be included in prices, and they are collected as products are leaving the factories. Conceptually, they are completely different from the special consumer taxes collected, in addition to prices, for color televisions in recent years.

Bank Official Views Upcoming Monetary Reform

OW1412132793 Beijing XINHUA in English 1314 GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—A senior Chinese banker stressed here yesterday that the focus of the upcoming monetary reform would be to turn the People's Bank of China (PBC) into the country's central bank in the real sense of the term.

The obligation of the central bank is defined as issuing currency, controlling the scale of money and credit supply, deciding the benchmark interest rates and ensuring the implementation of the unified monetary policy, said PBC Vice-Governor Zhou Zhengqing.

He was briefing party and government officials in Beijing on the impending financial reform.

The primary objective of the central bank's monetary policy is to maintain the stability of the value of the currency and on that basis, to support the growth of the economy.

To control the money supply, the central bank will use such tools as the rate of deposit reserves, the rate of rediscounts, open market operation, interest rates for deposits and loans, operation in the foreign exchange market and the management of credit through quotas, said Zhou.

However, he pointed out, the central bank will choose to use these tools "in a flexible way and in light of the overall economic situation."

On the comprehensive financial reform scheduled for next year, Zhou said that three policy-oriented banks will be established to channel capital to the sectors the government wants to support.

When freed from the policy-based lendings, the state specialized banks will begin their shift to commercial banks that aim at profit-making while assuming risks themselves, Zhou said.

Competition among these commercial banks will be encouraged, but these banks will be banned from directly investing in non-financial firms.

Meanwhile, rural and urban cooperative banks will be set up to serve local economies as well as small and medium-sized businesses, Zhou said.

The reform plan also includes the development of a unified and open monetary market with its participants and their operations clearly defined and standardized to prevent money from the capital market flowing into the securities market and real estate business.

The treasury bonds market will be developed so as to create conditions for the people's bank to engage in open market operations.

Zhou pledged that reform of the foreign exchange system will be carried out gradually, with the final goal of making the Chinese yuan a freely convertible currency.

The top banker stressed that the central bank will put a firm grip on the total amount of credit and money supply next year to prevent hyper-inflation.

"Considering the pace and depth of the monetary reform next year, it is all the more necessary to stick to that principle," said Zhou. "Otherwise we will have difficulty in pushing ahead the financial reform which will in turn cause a slowdown in the overall economic reform."

He said that next year will see more than twenty sets of financial laws and regulations come out. These will include the law on the People's Bank of China, the banking law, securities law and the commercial bills law.

Article Views Foreign Exchange Control Reform

HK1512055093 Beijing RENMIN RIBAO in Chinese 7 Dec 93 p 2

[By reporter Pi Shuyi (4122 2885 5030): "China to Speed up Reform of Foreign Exchange Control System"]

[Text] Beijing, 6 Dec (RENMIN RIBAO)—China will take further steps in reform of the foreign exchange control system: Establishment of a national unified and standardized foreign exchange market; implementation of a unitary exchange rate based on the market exchange

rate, and energetically creating conditions for the realization of free exchange of renminbi.

At a Sino-ROK financial seminar today, Yang Gonglin, director of the Policy and Legislation Department of the State Administration of Exchange Control, disclosed these new tentative ideas. The seminar is sponsored by JINGJI RIBAO and KYUNGJE SHINMUN of the Republic of Korea with the assistance of the People's Construction Bank of China.

With regard to establishing a national unified and standardized foreign exchange market, Yang Gonglin said that the first step is to establish a national system of joint quotations and transactions for the foreign exchange market so that foreign exchange funds can flow country-wide; the second is to change foreign exchange quota transactions into spot exchange transactions; the third is to implement the open foreign exchange market system; the fourth is to continue to improve laws and regulations of the foreign exchange market, improve forms of transactions, and run a foreign exchange futures market; and the fifth is to gradually change the foreign exchange market with enterprises as the main bodies into a foreign exchange market with appointed banks as the main bodies.

Yang Gonglin pointed out that at present, the exchange rate system in China is one in which both an official and a market exchange rate coexist. This is a transitional step adopted during the period in which the new system is replacing the old. China will, on the basis of strengthening macro regulation and control and stabilizing the market exchange rate, establish as soon as possible a unitary exchange rate system on the basis of the market exchange rate.

Yang Gonglin pointed out that China is energetically creating conditions for the free exchange of renminbi, and on the basis of a unified exchange rate, lifting restrictions on regular international foreign exchange payments and practicing conditional free exchange of currencies in regular transactions.

Lei Jieqiong, vice chairman of the Standing Committee of the National People's Congress, attended the opening session of the seminar. Chen Muhua, another vice chairman of the Standing Committee of the National People's Congress, met all members of the financial fact-finding group of the Republic of Korea while the seminar was in session.

Measures Guiding Foreign Investment To Be Issued

*HK1512055293 Hong Kong TAI KUNG PAO in Chinese
7 Dec 93 p 2*

["Special Dispatch" by staff reporter Ma Ling (7456 3781): "New Measures Are To Be Taken To Make Use of Foreign Capital, and a More Open Policy Is To Be Formulated for Tertiary Industry"]

[Text] Beijing, 6 Dec (TA KUNG PAO)—Relevant sources have disclosed that during the new round of economic reform, China will put forward a series of new measures to guide utilization of foreign investment, including new policies governing introduction of foreign investment in tertiary industries as well as new developments in the field of economic cooperation.

New policies governing the introduction of foreign investment in tertiary industry include the following: 1) Jointly invested supermarkets will be allowed in Shanghai, Beijing, Tianjin, Dalian, Qingdao, Guangzhou, and five special economic zones; however, these supermarkets can only engage in retail business and cannot be solely owned by foreign investors. 2) The scale of opening up of the communication industries, including railways, airport construction, vehicle transportation, and harbor construction, will be expanded gradually; and foreign businessmen are to be allowed to invest or make joint investment with Chinese partners in carriage manufacturing, railway station management, road-side gas stations, restaurants, and maintenance centers. In addition, foreign businessmen are also allowed to make sole investment in the construction of piers and shipping routes for the exclusive use of shippers. Experiments concerning establishment of jointly invested airliner will also be carried out. 3) Coastal open cities will be allowed to run foreign-invested banking industries. 4) Foreign investors will be allowed to develop tourist facilities, operate tourist projects, and set up jointly invested international travel agencies in 14 state-approved tourist areas and resorts. 5) A number of experimental joint ventures will be run in such trades as leasing, accounting firms, advertisement, consultancy, engineering design, and quality certification. 6) Efforts will be made to encourage people living overseas to make donations for educational purposes and joint ventures to set up joint training centers.

There will be new developments in the field of cooperation and foreign investment will be allowed to go beyond the scope of solely owned enterprises, joint venture enterprises, and cooperative enterprises. While encouraging foreign businessmen to take part in tens of thousands of renovation projects of old state-owned enterprises, China will adopt more flexible ways to allow foreign investment to get involved in other fields. Besides running solely owned enterprises, joint venture enterprises, and cooperative enterprises, foreign investors will also be allowed to set up jointly invested joint stock companies, and to run old enterprises on contract or lease. To facilitate the joint operation of old enterprises, the state will consider giving priority to old enterprises in obtaining capital, raw and semi-finished materials, energy, fuels, and transportation facilities. In addition, preferential treatment will also be provided in foreign exchange, taxation, and other fields.

Ownership-Management Relationship Examined*HK1412140093 Beijing RENMIN RIBAO in Chinese
30 Nov 93 p 2*

[Article by staff reporter Mo Xinyuan (5459 2450 0337): "Clearly Defined Relations Between Ownership and Management Needed—Commenting on Discussion in 'My View on the Problem of Enterprise Amalgamation' Column"; first paragraph is RENMIN RIBAO editor's note]

[Text] Since this paper opened the "My View on the Problem of Enterprise Amalgamation" column, people in all walks of life have displayed much interest in it. Many wrote to this paper expressing valuable opinions. Naturally, it will take time to find a practical solution to this problem. We now publish a commentary by a staff reporter as a "concluding remark" on the discussion, which has not really ended.

The Hangzhou Machinery Bureau decided to merge its three affiliated enterprises into a single whole. But one of them obstinately objected to the plan and a dispute ensued. The government department responsible for the three enterprises, which regarded itself as representing the owner of the state assets, believed they were entitled to make the decision, but the leader of the enterprise insisted that the higher authorities were interfering with his decisionmaking power and that the decision went against the wishes of the workers. Both parties' arguments were "tenable," so the dispute was a hard nut to crack. Through two months of discussions, the essence of the problem became more and more clear, and so has the principle for settling the problem.

Two "Borderlines" Have Been Defined: Ownership and Management Are Not Allowed to Infringe Upon Each Other

Many people said in their contributions: The problem discussed in the "My View on the Problem of Enterprise Amalgamation" column is not a serious one. But why is it that so many people have taken great interest in it? The reason is that it involves deep-seated problems in the economic field.

To develop the economy, it is imperative to adjust the industrial structure, the product mix, and the organizational structure of enterprises; while to deepen reform, it is a matter of paramount importance to carry out the "Regulations on Changing the Operations of State-Owned Industrial Enterprises (referred to as the Regulations for short hereafter)." The two tasks should have complemented each other, but it was often discovered that the two misplaced and contradicted each other in real life.

To straighten things out, people have turned to the laws and regulations for help. Both the "Enterprise Law" and the "Regulations" provide that government departments have the right to decide on enterprise amalgamation. But the provisions deal with the matter in such general terms

that people find it difficult to put them into effect. If the provisions were simply interpreted as an acknowledgment of the government department's right to amalgamate enterprises, this would mean we were slipping back into an old rut because government departments could achieve this by issuing administrative orders.

However, since the assets of state-owned enterprises are owned by the state, are operators of enterprises together with workers allowed to "have their own way," ignoring the need to optimize the industrial structure and to increase the value of enterprise assets?

The two problems mentioned above, especially when we put them together, are really like "antinomy" in philosophy. They contradict each other logically but both are quite reasonable.

Then two concepts took shape, namely, ownership and management. They are different from each other and yet are related to each other. Based on these concepts, people are able to "draw boundaries," which no one is "allowed to go beyond," though they cannot give positive answers to all questions raised in the discussion. One boundary applies to the government. Specifically, though the government owns the assets of state-owned enterprises, it is not allowed to encroach upon the will of enterprise management, to exercise or transfer powers that have been granted to enterprises, and, especially, to organize new companies which do not draw a clear distinction between the responsibilities of the government and those of enterprises in the name of adjusting the enterprise structure. The other boundary applies to enterprises: Management is different from ownership and operators of state-owned enterprises are not allowed to ignore the restraints imposed by ownership. Whoever goes beyond the "boundary" breaks the rules.

Clearly defining the relationship and difference between ownership and management, namely the two "boundaries," is a big gain we have got from the discussion.

The "Grey Area" Between: Transitional Period Calls for Transitional Measures

The "boundaries" have been defined, but there is still a "grey area" between ownership and management.

With respect to enterprise mergers, relevant law and regulations provide that while government departments have the right to decide on or approve enterprise mergers, they must hold adequate consultations with the relevant enterprises on the matter and respect their wishes.

Theoretically, this provision is easy to understand, but giving effect to it involves many complicated problems. It would be easy if the government's decision is identical with the enterprise's wishes. But in reality, the two usually do not agree and even contradict each other, making it difficult to integrate them. Then a "grey area" appears. Our discussion in fact concentrates on problems concerning the "grey area."

Why have the relevant regulations left such a "grey area"? Does it mean the regulations have created contradictions? In the course of the discussion, we invited those comrades responsible for drafting the regulations to express their views and answer the above questions. Their answers are enlightening.

Man always cherishes an ideal of choosing what he likes, but in actual life there are only practical selections, no ideal selections. The regulations were formulated in light of actual conditions. Under the planned economy, it was up to the government to decide on enterprise mergers. However, under a market economy, enterprise mergers are market behavior. Only government departments which act according to market norms and enterprises which set up market-oriented mechanisms can consciously pursue such behavior. However, both government departments and enterprises have yet to form such an inherent mechanism mainly because of the lack of a clearly defined ownership-management relationship. So we can only rely on mutual restraint to settle problems. The requirement of "respecting enterprise wishes" serves to impose a restraint upon government departments so that they will not exercise their administrative powers at will, while allowing government departments to have the final say on enterprise mergers serves to impose a restraint on enterprise operators so that they are duty-bound to increase the value of state assets. This means that under the present situation, a "grey area" in the regulations is unavoidable.

We aim to establish a socialist market economy and allow the market to play a fundamental role in resource allocation. But we cannot achieve this overnight or by issuing relevant regulations. A rather long transitional period is necessary. Confronted with such a "transitional state," we have to speak for both sides instead of one side only. What matters is that government leaders and enterprise operators must be of fine quality and keep a cool head. Given fine quality, government leaders and enterprise operators will think and act in the interests of developing socialist productive forces rather than in their own interests, while a cool head will enable them to find appropriate measures to solve problems arising in the "transitional period," thus deepening economic reform step by step.

Ownership and Management Should Unify at a New Plane; We Should Focus on Straightening Ownership-Management Relationship, Which Is the Key Issue

How do we remove the "grey area"?

When our discussion was about to end temporarily, the Third Plenary Session of the 14th CPC Central Committee adopted the "Decision on Issues Concerning the Establishment of a Socialist Market Economic Structure." This program for action, which is like a beacon, clears up the mist hanging over the ownership-management relationship. The "Decision" clearly sets the task of "establishing a modern enterprise system which meets the requirements of the market economy

and in which the ownership-management relationship as well as the rights and responsibility of enterprises are clearly defined." In this way, our enterprise reform will proceed from the stage in which policy is adjusted mainly through granting power to enterprises and allowing them to keep a bigger share of profits, to a new stage in which a new enterprise system will be set up mainly through defining the ownership-management relationship clearly.

The "Decision" points out: "For state-owned enterprises, it is useful to experiment with the corporate system. Standardized corporates can effectively accomplish separation between the ownership of investors and rights of enterprises, as legal entities, over their assets. This is conducive to separating government administration and enterprise management, changing management mechanisms, enabling enterprises to rid themselves of reliance on administrative organizations, and allowing the state to escape from its unlimited responsibility for enterprises; and it is also conducive to raising funds and diversifying risks."

"If you want to command a prospect of a thousand li, climb yet one story higher." The "Decision" has lifted our understanding to a new and higher plane. Both "the ownership of the investors" and "the rights of enterprises, as legal entities, over their assets" referred to in the "Decision" are designed to define the relationship between ownership and management and will serve as our theoretical weapon for finally settling the problem we have been discussing. It seems that only by standing at this new plane and by applying the new theory of the socialist market economy, new concepts, new policies, and new measures, can we sort out right and wrong, which we confused in the past, and settle problems which defied solution in the past.

Naturally, our explorations have not yet come to an end. Establishing a modern enterprise system and clearly defining ownership-management relationships is difficult and complicated and calls for hard work on our part. If our discussions can help us to convert theory to practice, to more consciously study and master the "Decision," and to more consciously apply the relevant measures and regulations formulated by the central government, this will mean that we have gained more results from the discussions.

Progress Made in Conserving Freshwater Resources

OW1512020793 Beijing XINHUA in English 0059
GMT 15 Dec 93

[Text] Chongqing, December 15 (XINHUA)—In the past two decades, China's fresh water resource protection has scored great achievements due to effective legislative efforts and firm advancement of its water resource protection and water-saving program.

According to information released from the national working meeting of fresh water resources held here,

comprehensive surveys of water quality and main river and lake resources all over the country have been completed.

Water resource protection sites have been set up along the Chang Jiang and Yellow Rivers to effectively cut down on water pollution and soil erosion.

A law enforcement network at all levels for water resource protection has gradually taken shape with 66,000 supervisors being appointed in 2,405 counties and cities nationwide.

China's fresh water reserves stand at 2,800 billion cubic meters, ranking sixth in the world.

But the sheer size of the country's population places a tremendous strain on its water supply, leaving the per capita water reserve ranked 88th in the world.

China's fresh water resource protection work was first brought into line with the development of the national economy in the mid- 70s under the direction of late Premier Zhou Enlai.

Along with the accelerated development of the economy thanks to the reform and opening drive, Chinese people's consciousness of water protection has been further enhanced.

So far a multi-layered legal system consisted of state laws and regional regulations has been fundamentally established nationwide to prevent water squandering.

The past ten years have witnessed the establishment of about 2,300 monitoring stations along large rivers of the country.

Recycling of industrial water and waste water has been strengthened in urban areas, with substantial investment going into a full range of processing facilities.

Cities in northern China that are haunted by serious water shortages are especially involved in the promotion of recycling and reuse of waste water.

Mature Timber Resources Said 'Nearly Exhausted'

HK1512052993 Beijing CHINA DAILY in English 15 Dec 93 p 1

[By staff reporter Wang Yonghong: "Forests Greening, But Mature Stands Few"]

[Text] There has been a sustained growth in the country's forest resources over the last few years as the result of intense forestation efforts, the forestry minister said yesterday.

However, he also pointed out that mature timber resources are nearly exhausted.

"The latest national forest inventory showed that the country's forest coverage has risen to 13.9 percent from

12.9 percent of national territory five years ago," Xu Youfang told a press conference yesterday.

The figures were contained in the fourth survey of national forest resources, conducted from 1989 to 1993, across the mainland.

Compared with the results from the third inventory (1984-88), the forest acreage has soared to 133.7 million hectares from 125.7 million hectares with standing volume of timber resources increasing to 11.7 billion cubic metres from about 9.6 billion cubic metres.

The minister attributed the forest increase to the rapid progress in forestation, strict management, and rational utilization of forest resources in recent years.

Xu pointed out that the bulk of increased forests came from planting efforts in mountain areas.

In the last five years, a total of 2.78 million hectares of trees were planted, which accounted for 31.86 per cent of increased forest.

China now has a total of 33.7 million hectares of artificial forests, up from 31 million hectares five years ago, ranking the first in the world.

According to the minister, the forest increased faster in 10 provinces and autonomous region in the south than those in the north of the country.

The improvement in forestation quality through the help of science and technology was listed as another reason for the increase.

The number of trees cultivated up to approved standards also increased from only 55.2 percent five years ago to the current 83.5 percent, the minister said.

In the last five years, some 400 million cubic metres of standing timber volume were increased each year according to the current inventory, but only 320 million cubic metres of timber was consumed every year, down from 344 million cubic metres five years before.

This was the result of implementing the quota for allowable tree-felling, renovating cooking stoves to save firewood and preventing and controlling forest fires and natural disasters, Xu noted.

Although China has increased its forest area and growing stock, Xu warned that mature timber was nearly exhausted with only about 1.96 million cubic metres left, most in remote areas or on top of mountains.

As a result, a majority of the timber cut in recent years was young or immature, Xu pointed out.

"We must speed up the development of the timber processing industry so as to make the best use of various kinds of woods and thus to save our forest resources," he stressed.

Meanwhile, the minister lashed out at excessive logging and destroying forests to construct so-called development zones.

A total of 2.19 million hectares of forest area was destroyed or occupied for other uses in the last five years.

Forested Land Increases To 14 Percent

OW1412135293 Beijing XINHUA in English 1322
GMT 14 Dec 93

[Text] Beijing, December 14 (XINHUA)—Some 14 percent of China is covered with forests, eight million hectares more than five years ago.

Figures given by the Forestry Ministry today show that China's forest area has been increasing at an annual growth rate of 1.65 percent during the past five years.

The afforested area, totalling 33.79 million hectares, is the biggest in the world, figures from China's fourth forest resources survey show.

China set up its national forest resources monitoring network in the early 1970s, which has now undertaken four surveys.

During this fourth one, from 1989-1993, the forest resources growth rate was over 400 million cubic meters annually, a quarter higher than the annual consumption rate of 320 million cubic meters.

With progress in stopping destructive felling, Xu said, the present problem lay in the low quality and low productivity of the forests.

He said that the socialist market economy required better capital management of the forestry resources which could be realized as more state-owned forest-related enterprises become joint-stock businesses.

Meanwhile, he said, the state was making new laws to give the forests more effective and stricter protection.

East Region

Anhui Places 'Importance' on Urban, Rural Markets

OW1512020893 Beijing XINHUA in English 0059
GMT 15 Dec 93

[Text] Hefei, December 15 (XINHUA)—Some 300 million yuan has been spent by local government in Anhui Province, east China, to put roofs on markets, bringing them out of the open air.

This expenditure in the past few years is evidence of the importance which the province places on developing markets in its urban and rural areas.

Now there are 4,126 free markets in the province, up by 100 percent over 1983, when most such free markets were open to all weathers.

The Departments of Industry and Commerce also made plans to turn some retail markets into wholesale ones, or markets specialising in particular commodities. The province now has more than 580 speciality markets, 80 wholesale markets for agricultural side-line products, 21 for industrial products and 30 for second-hand goods.

With the development of the market services, the sale of pork, beef, eggs and aquatic products through free markets now exceeds the sale of these products through state-owned retail stores respectively by 6.5 times, 5.6 times, 4.2 times and 10.7 times.

Paper To Publish in Anhui Via Satellite Transmission

OW1512020393 Hefei ANHUI RIBAO in Chinese 25
Nov 93 p 1

[Text] On the afternoon of 24 November, the WEN HUI BAO office held a press briefing at Hefei city's Qiyun Lodge on the opening of the paper's satellite-transmitted publication system for its printing station in Hefei city and on tasks to improve publicity and reporting. At the meeting, Zhang Qicheng and Ma Da, the paper's editor in chief and adviser, respectively, announced: The paper's satellite-transmitted publication system for Hefei city's printing station was successfully tested on the evening of 23 November. From 1 January, the vast number of readers in the area of the city will be able to read WEN HUI BAO on the same morning. Vice Governor Du Yijin; Wang Hong, deputy head of the provincial party committee's Propaganda Department; and Yang Bo, director of the province's radio and television department, conveyed their congratulations at the meeting. Du Cheng, member of the standing committee of the provincial party committee and head of the Propaganda Department, visited comrades of the paper to offer his congratulations.

WEN HUI BAO is a Shanghai-based, comprehensive paper with a 55-year history. It is distributed nationwide and in over 40 countries and regions of the world. The

Hefei city printing station is the ninth satellite-transmitted publication system that the paper has opened in cities nationwide. The station's opening will not only enable readers in Hefei city and Anhui to read the paper two days in advance but will also provide better service to economic development in the Chang Jiang Valley. It will further strengthen contacts and cooperation between Shanghai and Hefei city and Anhui.

At the meeting, Comrade Zhang Qicheng sincerely thanked Anhui readers for their concern and support for WEN HUI BAO. He also gave a briefing on plans and ideas for the further upgrading of the paper's quality next year.

Fujian Takes Measures Against 'Snakeheads'

HK1412110893 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0838 GMT 12 Dec 93

["Special feature" by reporter Hong Wen (1738 5113):
"Fuzhou Deals Heavy Blows at 'Snakeheads'"]

[Text] 12 December (ZHONGGUO TONGXUN SHE)—Recently, with the coordination of public security organs in Guangdong and Zhejiang Provinces, Fuzhou City's frontier defense departments cracked another two cases and arrested three "snakeheads" [those who arrange human smuggling operations] for attempting to ship illegal migrants, also known as "human snakes," to the United States and Japan. Mao Zhangcheng, deputy head of the Fuzhou City Public Security Bureau, has revealed that his bureau has arrested over 70 "snakeheads" and middlemen coming from inside and outside the country during the second half of this year, with an arrest success rate of over 30 percent. He noted that the task of capturing "snakeheads" will remain arduous in the next stage, and the departments concerned have made new arrangements and adopted various measures to strike heavy blows at the trend of illegal migration.

The incident in which illegal migrants were shipped to New York not long ago made Fujian Province the focus of public attention. The trend of illegal migration is attributed to complicated causes, and many law-breaking activities were organized and plotted by "snakeheads" outside China. In Fujian Province's Fuzhou region, some of the residents were misled by overseas rumors and risked their lives to pursue their "gold-digging dream." Fujian's long and winding coast also adds to the difficulty of fighting illegal migration.

To put an end to the trend of illegal migration, the relevant departments in Fujian recently unfolded a comprehensive campaign to investigate and crack down on "snakeheads" by means of propaganda, education, and professional arrests. By making thorough investigations, luring "snakeheads" into traps, and laying ambushes, Fuzhou has attained new results on a constant basis during the second half of this year. Statistics have shown that more than 10 illegal migration cases were cracked

and over 70 "snakeheads" and middlemen both inside and outside China have been arrested since last June, with a rate of successful arrest of over 30 percent. At the end of last October, the city's frontier defense department was informed of an illegal migration plot organized by eight "snakeheads" who attempted to ship over 100 hundred people into the United States illegally. Upon receiving the information, the units concerned immediately drew up a plan, sent public security personnel to Hangzhou, and cracked the case, and captured the illegal migrants in no time.

The public security organs and frontier defense departments from five counties, cities, and districts under the Fuzhou Region recently held a meeting to exchange experiences. The meeting reaffirmed the work results of Pingtan, the suburbs, Changle, Fuqing, and Lianjiang in the struggle against illegal migration and heard a work report on the investigation into the backgrounds of several hundred repatriated illegal migrants.

Mao Zhangcheng indicated: As the task against illegal migration and "snakeheads" remains arduous, Fuzhou City is taking painstaking efforts to draw up a plan for the next stage. First, they will regard the work of capturing "snakeheads" as a criterion for the work efficiency and attitude of various public security units, will establish the concept of engaging themselves in a "protracted war," and will get a good idea of "the exact number of snakeheads arrested and handled, and the efficiency of getting the job done." Second, continued efforts will be made to enhance the people's understanding, translate the work against illegal migrations into concrete moves, and get a firm grip on the work with a view to safeguarding Fujian's stability and opening up. Third, it is necessary to reinforce the responsibility system for leading cadres, urge principal leaders to take personal charge of the work, impose strict rules and regulations according to the law, and expand intelligence activities in an extensive way. Fourth, strides will be taken to continue doing a good job in investigation so as to obtain accurate information about "snakeheads," middlemen, crews, and shelters for criminals. In addition, public security organs will continue tracing clues and putting criminals under arrest, with a view to educating the masses and terrorizing criminals.

Fujian Secretary Urges Sanduao Port Development

HK1412131993 Beijing ZHONGGUO XINWEN SHE
in Chinese 1157 GMT 3 Dec 93

[Text] Fuzhou, 3 Dec (ZHONGGUO XINWEN SHE)—The opening up to the outside world of the Sanduao Chengao Port, which has an excellent natural harbour that meets international standards, has brought about a new turning point in eastern Fujian's economic development. During an inspection tour of Ningde Prefecture in eastern Fujian a few days ago, Chen Guangyi, secretary of the Fujian Provincial CPC Committee, pointed out that the development and opening up to the outside

world of the Sanduao Chengao Port is an undertaking that straddles this century and the next. It represents one of the new strategic key projects in the economic development of Fujian Province at the end of this century and in the beginning of the next.

Chen Guangyi; Huang Wenlin, member and secretary-general of the Fujian Provincial CPC Committee Standing Committee; Yuan Qitong, vice chairman of the Fujian Provincial People's Congress Standing Committee; and Vice Governor Liu Mingkang—along with people in charge of the General Office of the Fujian Provincial CPC Committee and the Fujian Provincial Government, the Planning Commission, the Foreign Economic Relations and Trade Commission, the Financial Department, the Communication Department, and the Port Office—made an inspection tour of eastern Fujian from 29 November to 1 December and carried out their official work on the spot. According to reports, since the State Council approved at the end of September the opening to the outside world of the Sanduao Chengao Port as a port of the first category of the state, the eastern coastline of Fujian has extensively attracted the interest of overseas investors. Chen Guangyi said that this is a rare opportunity for eastern Fujian and for Fujian as a whole.

Sanduao in eastern Fujian has been sealed off for nearly half a century. The Sanduao Chengao Port, whose opening up to the outside world has been approved, has a length of 15 km. It forms one entity with Zhangwan within Sanduao and Xiabaishi and Saiqi of Fuan. It will become an important area in the opening up and development strategic pattern of Ningde Prefecture in eastern Fujian. Chen Guangyi held that eastern Fujian should "borrow ships to go out to the sea" and "lead overseas Chinese into the mountains." He called for grasping firmly the earlier stage preparatory work for the opening up and development of Chengao, making efforts to introduce a number of large backbone projects and attracting capital for development through various channels so that Sanduao will play a major role in opening up eastern Fujian.

In recent years, eastern Fujian has opened up the mountain gate and the sea gate. The comparatively weak infrastructure has restricted the development of eastern Fujian, however. Chen Guangyi said that, at present and for some time to come, we must grasp firmly the transformation and expansion projects of the Fuzhou-Wenzhou Highway in the section within eastern Fujian and grasp firmly the planning and construction of the Qinsan Power Station, the Chengao Port harbor, and the Fuzhou-Wenzhou Railway. He said that Fujian is in its most favorable period in more than 150 years. Eastern Fujian has rich mountain and sea resources. We should seize this historical opportunity for major development.

Fujian Chambers of Commerce Attracting Investment

OW1412073293 Beijing XINHUA in English 0653
GMT 14 Dec 93

[Text] Fuzhou, December 14 (XINHUA)—The chambers of commerce in east China's Fujian Province are playing a vital role in wooing funds from Overseas Chinese by taking advantage of non-governmental enterprises.

Statistics show that in the past four years the province has lured 140 million U.S. dollars from Hong Kong, Taiwan and Macao for 120 local projects. And it has also given a hand to inland provinces and cities, attracting 300 million U.S. dollars for nearly 100 projects.

Fujian, one of the first open provinces and the ancestral home of millions of Overseas Chinese, is located near Hong Kong and Macao. It also maintains frequent contacts with Southeast Asian countries in trade exchanges.

With its focus on these regions, the chambers of commerce at all levels have received nearly 100 business groups and some 5,000 individuals from Taiwan.

Moreover, quite a few overseas businessmen who have contributed greatly to the local economy have been enrolled as members of the chambers.

For example, Gao Xinping, a compatriot from Taiwan, has been elected executive director of the Xiamen Chamber of Commerce for his endeavors in introducing Taiwan investment.

Started in 1985, he has invested 5 million U.S. dollars in 20-odd manufacturing firms engaging in electronics, cement and chemicals.

Meanwhile, dozens of investigation teams have been sent by the chambers to Singapore, the Philippines, Hong Kong and Macao, establishing solid ties with nearly 60 counterparts.

In addition, they have launched product shows and promotions overseas.

Fujian To Build Seven Local Railways

HK1512062393 Hong Kong WEN WEI PO in Chinese
8 Dec 93 p 10

[Text] In the next 10 years, Fujian is going to build seven new local railways, of which three will be completed and put into operation by the end of 1997, thus adding two more inter-provincial railways to the present one or increasing the total length of the province's railways by 37.5 percent.

The above was disclosed by the Fujian Provincial Local Railway Construction and Development Corporation, China's first provincial-level local railway company set up in Fuzhou a few days ago.

At present, Fujian only has the Yingtan-Xiamen and Waiyang-Fuzhou railways. If feeder railways are added, they make up a total length of 1,020 km. Only the Yingtan route is a inter-provincial railway whose capacity can meet only 60 percent of transportation needs, thus seriously affecting the development of Fujian's national economy and its opening to the outside world.

Since the State Council last year proposed the policy that the central and local authorities can pool funds to construct railways, the initiative of local authorities to construct railways has been greatly brought into play. The Fujian Provincial Government then decided to set up a local railway construction and development corporation to take full charge of the construction, development, and operation of local railways.

It is said that since its preparation in June last year, the Fujian Provincial Local Railway Construction and Development Corporation has vigorously set out planning and constructing local railways. Since the second quarter of last year, the construction of the Hutou-Quanzhou-Xiaocuo section of the Zhangping-Quanzhou-Xiaocuo railway and the Hengfeng-Nanping (Hengfeng, Jiangxi to Nanping, Fujian) railway have already started, and the construction of the Longyan-Meizhou (Longyan, Fujian to Meizhou, Guangdong) railway will also be started next year. These three railways will be completed and put into operation by 1997. Moreover, the construction of four other railways is being prepared or planned, namely the Wenzhou-Fuzhou (Wenzhou, Zhejiang to Fuzhou, Fujian) railway, Zhangzhou-Chaozhou-Shantou (Zhangzhou, Fujian to Chaozhou and Shantou, Guangdong) railway, the Fuzhou-Xiamen express railway and the Ganzhou-Longyan (Ganzhou, Jiangxi to Longyan, Fujian) railway.

Microelectronics Production Base Built in Jiangsu

OW1512080793 Beijing XINHUA in English 0623
GMT 15 Dec 93

[Text] Nanjing, December 15 (XINHUA)—China's number one electronic project, the Wuxi micro-electronics production base in Jiangsu Province, has passed a state technical examination.

The production base, specializing in integrated circuits, was built with a total investment of 780 million yuan. It is equipped with two production lines imported from Germany and Japan, respectively.

An expert attending the technical appraisal said that the completion of the base will bring China's production of integrated circuits to a new stage.

At present, the Wuxi micro-electronics production base has formed an annual production capacity of more than 50 types of large-scale integrated circuits of 20 million bytes each and more than 30,000 large silicon chips.

These products will be of great help in the technical transformation of China's telecommunications, domestic electrical appliance and computer sectors.

Joint-Venture Power Plant Built in Jiangsu

*OW1512115793 Beijing XINHUA in English 1018
GMT 15 Dec 93*

[Text] Nanjing, December 15 (XINHUA)—The first phase of the Ligang Thermal Power Plant, the first joint venture in the power industry in China, was completed and put into operation recently in Jiangyin City, in east China's Jiangsu Province.

Involving an investment of 1.8 billion yuan, the project was jointly funded by the China International Trust and Investment Corporation, the Jiangsu Investment Corporation, the Wuxi Electricity Company and a Hong Kong-based power company.

Two generating units of 350,000 kw each have been installed. The project will provide four billion kwh every year for the province and east China.

As a key state project, the plant, which will be completed in three phases, will have a generating capacity of 2.6 million kw.

Jiangxi 'Biggest Rice Exporter' By End of Oct

*OW1512080893 Beijing XINHUA in English 0627
GMT 15 Dec 93*

[Text] Beijing, December 15 (XINHUA)—By the end of October this year, Jiangxi Province in east China had exported a total of 280,000 tons of rice to a dozen countries and regions, making it the biggest rice producer in China.

The province's rice export volume in the first ten months reached 45 million U.S. dollars-worth, according to the CHINA NEWS SERVICE.

Officials from the provincial cereals, oils and foodstuffs import and export company said that the company has overfulfilled the quota of 270,000 tons of rice for this year.

Jiangxi accounts for one third of China's rice exports.

The province plans to reap over 10 billion kg of grain in the coming year.

Shandong Bans Outside Satellite TV Programs

*SK1412034793 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 13 Dec 93*

[Text] The audio and video products management section under the provincial radio and television department held a provincial meeting on management of audio and video products in Jinan on 11 December to implement the State Council's Order No. 129 on strengthening

the management of satellite television reception facilities. Management cadres in charge of audio and video products from 17 cities and prefectures of the province attended the meeting.

According to statistics, since the promulgation of the State Council's order No. 129, most cable television stations furnished with satellite television reception facilities in 14 cities and prefectures of the province, except for Jining, Rizhao, and Heze prefectures, have one after another stopped receiving and relaying television programs broadcast in places outside the Chinese territory. All the advertisements that had been published on periodicals and broadcast on television and all the centers selling satellite television reception facilities have also stopped business or closed down one after another.

The meeting called on radio and television departments in the province to bring the production, marketing, and use of satellite television ground reception facilities into line with the orbit of management according to the law and develop them in an orderly manner. A few cities and prefectures that have not yet stopped receiving and relaying the television programs from outside should immediately stop receiving and relaying the programs.

Shandong Industrial, Commercial Congress Ends

*SK1512140593 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 14 Dec 93*

[Text] The three-day eighth congress of the Shandong Provincial Industrial and Commercial Federation successfully ended in Jinan on 14 December, after completing all items on the agenda. The congress unanimously elected Ai Luchuan honorary director of the Shandong Provincial Industrial and Commercial Federation, elected (Zhang Dongmu) and (Gong Peilan) deputy honorary directors, and elected Liu Zhimin director.

Tian Jian, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference and director of the united front work department of the provincial party committee, attended the congress and made a speech.

He said: Successfully doing the work concerning industrial and commercial federations during the new period is the need of promoting the sound development of the non-publicly owned economy and building the socialist cause with Chinese characteristics, is the need of accelerating the pace of reform, opening up, and economic construction and promoting the even faster and even better development of the national economy, and is the need of building the socialist democratic politics and strengthening and perfecting the system of multiparty cooperation and political consultation led by the CPC. The work concerning industrial and commercial federations during the new period must be aimed at fully exploiting the role of people's groups and non-governmental chambers of commerce that have the

nature of the united front in order to make industrial and commercial federations truly become the bridge to link the party and the government with the non-publicly owned economy and become the assistant of the government to manage the non-publicly owned economy.

Liu Zhimin made a closing speech at the congress. He stressed: We should attach importance to the construction of key ranks of personnel of non-publicly owned economy, positively and effectively conduct the ideological and political work among the personnel of the non-publicly owned economy, and lead the vast numbers of members of industrial and commercial federations to love the country, respect the trades, and abide by laws in order to foster a good image of the non-publicly owned economic groups. We should further strengthen the overseas liaison work and make great efforts to develop substantial exchanges and cooperation with overseas industrial and commercial groups.

The congress also elected (Gong Huanbo), (Sun Hongzheng), (Zhang Jialing), (Wang Yongchang), (Liu Hengsheng), (Lu Shixiang), (Chen Zhenmin), (Shao Ruiqi), (Shang Linje), and (Yao Shuyi) as deputy directors of the provincial industrial and commercial federation, and elected (Song Diansheng) as secretary general of the federation.

The congress also adopted the work report of the seventh executive committee of the provincial industrial and commercial federation and adopted the letter on saluting the veteran comrades who had long made contributions to industrial and commercial federations.

Zhejiang Congress Standing Committee Session Closes

OW1412142493 Hangzhou ZHEJIANG RIBAO in Chinese 2 Dec 93 p 1

[By reporter Jiang Runqiu (3068 3387 4428): "Seventh Session of the Provincial People's Congress Standing Committee Closes; Approves Regulations on Banning Prostitution and Patronage of Prostitutes, Decides To Tighten Control of the Cultural Market, Personnel Appointments, and Dismissals"]

[Text] The Seventh Session of the Eighth Zhejiang Provincial People's Congress Standing Committee closed in Hangzhou yesterday afternoon.

Chairman Li Zemin attended the session, which was chaired by Vice Chairman Xu Xinguan.

The session approved the "Zhejiang Provincial Regulations on Strictly Forbidding Prostitution and Patronage of Prostitutes" and the "Decision of the Zhejiang Provincial People's Congress Standing Committee on Tightening Control of the Cultural Market." It also approved the reports submitted by the provincial people's congress' financial and economic, legislative, and nationality and overseas Chinese affairs committees on examining deputies' proposals.

By secret balloting, the session decided to appoint Zhang Qimei as concurrent chairman of the Zhejiang Provincial Planning and Economic Commission, Jing Xiongming [2529 7160 2494] as director of the Zhejiang Provincial People's Air Defense Office, and Lu Laiqing [0712 0171 3237] as director of the Zhejiang Provincial Bureau of Aquatic Products; to dismiss Xu Yunhong from the office of concurrent chairman of the Zhejiang Provincial Planning and Economic Commission; to appoint Qian Zhongxian [6929 0022 6343] as deputy chief procurator of the Zhejiang Provincial People's Procuratorate, Fang Benhua [2455 2609 5478] as president of the Taizhou Prefectural Intermediate People's Court, Li Yuebao [2621 1471 0202] as chief procurator of the Taizhou Branch of the Zhejiang Provincial People's Procuratorate; to dismiss Zhou Liquan [0719 3468 3123] from the office of chief procurator of the Taizhou Branch of the Zhejiang Provincial People's Procuratorate; and it approved Qian Zhongxian's resignation from the office of chief procurator of the Shaoxing Municipal People's Procuratorate. The session appointed Shen Demao [3088 1795 5399] as vice chairman of the Taizhou Prefectural Working Committee of the Zhejiang Provincial People's Congress Standing Committee, and dismissed him from the office of president of the Taizhou Prefectural Intermediate People's Court.

The session decided to establish the provincial people's congress standing committee foreign affairs office, and appointed Sun Yannian [1327 1639 1628] as the director of the office and Zhao Jiafu [6392 0853 4395], Wang Wudi [3769 0523 6611], Deng Hanxin [6772 3352 7451], Zhang Yi [1728 1355], Lin Yi [2651 3015], Zhou Huilan [0719 1979 5695], Tang Jinchun [0781 6930 2504], and Lei Xiqing [7191 0823 1987] as members of the office. The session also approved other appointments and dismissals.

Wang Qidong, Yang Bin, Li Debao, Zheng Shu, and Mao Zhaoxi, vice chairmen of the provincial people's congress standing committee, attended the session. Liu Xirong, vice governor of Zhejiang; Xia Zhonghe, president of the provincial people's higher people's court; Ge Shengping, chief procurator of the provincial people's procuratorate; and Xue Yanzhuang, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, attended the session as observers.

Central-South Region

Guangdong CPC Committee Plenary Session Ends

HK1512055493 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT

[Text] The three-day Second Plenary Session of the Seventh Guangdong Provincial CPC Committee concluded in Guangzhou yesterday afternoon.

The plenary session called on the whole province to attain goals and fulfill tasks set out in the recent CPC

Central Committee decision in light of provincial realities and in a phased way, bring about breakthroughs in all major fields, press ahead with and improve work in a gradual and orderly fashion, and strive to shape a basic framework of a socialist market economy over the next five years.

The plenary session deliberated on and adopted Guangdong Provincial CPC Committee opinions on several questions concerning more rapidly building a socialist market economic structure. The opinions laid down goals and requirements, as well as specific measures aimed at deepening state-owned enterprises reform, implementing a joint-stock cooperative system in rural areas, transforming government functions, implementing banking, investment, price, financial, and taxation reform, establishing a social security system, expanding opening up, stepping up the market economy-oriented legislative work, and others.

Guangdong's Xie Fei Urges Development of Tourism

OW1412135693 Beijing XINHUA in English 1333 GMT 14 Dec 93

[Text] Guangzhou, December 14 (XINHUA)—Xie Fei, secretary of the Guangdong Provincial Committee of the Communist Party, urged the tourist services in Guangdong to draw on foreign experiences in management and import their advanced technology.

After listening to a report from leaders of the tourist departments in the province, the secretary said that development strategies for tourist zones and sightseeing spots in foreign countries should be studied and introduced.

He pointed out that Guangdong should devote more effort to the development of tourist services and establish these services as one of its important industries.

He noted that there are many favorable conditions for developing Guangdong's tourism industry.

Guangdong has many scenic spots, convenient transportation conditions, and a well-known local cuisine.

The province has also enhanced its ability to attract tourists through economic reforms and opening up.

Xie urged the Tourist Department to enhance the quality of services and highlight its own characteristics in tourism.

Guangdong Introduces Sea Transport Regulations

HK1512061693 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 6 Dec 93 p 2

[By Zhu Ping (4376 1827): "Guangdong Province Introduces New Regulations for Supervising Sea Transportation"]

[Text] To meet the needs of further opening up to the outside world and of economic development, China's customs in Kowloon, Gongbei, Guangzhou, Shantou, Jiangmen, Huangpu, and Zhanjiang have carried out major reforms of the formula of maritime transportation. Several days ago, the above customs began introducing new regulations on supervising and controlling incoming and outgoing foreign ships so they can make and leave port quite easily according to law.

To reform the formula of maritime transportation, the first step is to make the following changes: When going through procedures for making and leaving port, owners of foreign ships or their agents may go to customs to take up the matter. Unless necessary, customs officers will not go on board foreign ships to carry out inspections. The procedures for inspecting containers which are to transit or be transferred to other customs will be simplified. Transit containers which come to or leave the country by sea or land will not be opened for inspection on condition that they have been sealed by customs at the port of shipment and that they are intact and in good shape. If importers make a request and meet all necessary requirements, their containers can be examined at the named port of destination. Normal incoming foreign ships are allowed to load and unload cargo and their crew go on ashore as soon as they make harbor if their agents go through necessary procedures at relevant customs in advance. All materials including oil needed by the ships can be ordered by the agents and sent on board by suppliers and the amount of the materials will be later examined by customs officers according to the invoice jointly signed by the agent and the captain. Subject to application by the agent beforehand and approval by customs, goods kept under customs' supervision and control are allowed to be stored in storehouses outside the port area.

Guangdong Plans Commercial TV Station

HK1412020693 Beijing ZHONGGUO XINWEN SHE in English 1400 GMT 13 Dec 93

[Text] Guangzhou, December 13 (CNS)—A commercial television station, the first in Guangdong Province is expected to be on the air next May, making the new channel the 40th in the province.

Director of the Guangdong Department of Radio and Television, Mr Zhou Wujun, announced the news at a reception for the founding of the commercial station.

The station will practice an independent accounting system and will be responsible for its own management as well as for its profits and losses. Staff will be recruited publicly, a move considered a new step in the broadcasting sector under the market economy system.

The new station will offer programmes covering news, economic affairs, information, commercial news, cultural activities and entertainment, opera and other

artistic performances. It will go on air daily at 5 p.m. and shut down at 1 a.m. with Putonghua as its main language medium.

Shenzhen Continues 'Rapid Economic Growth'

HK1412102193 Beijing ZHONGGUO AINWEN SHE
in English 0910 GMT 14 Dec 93

[Text] Shenzhen, December 14 (CNS)—Shenzhen, the state-level special economic zone in Guangdong Province, with its good economic system and operational mechanism, has been maintaining its rapid economic growth this year. According to statistics, the city's GDP value in the first nine months of this year was RMB 26.93 billion [renminbi], 30 percent up over the same period last year and 15 percentage points higher than the country's average. Its GDP for the whole year is predicted to be RMB 37.1 billion, more than 30 percent up over last year.

The healthy economic development in the city can be seen in the following features:

- Its industrial production and efficiency have both been growing simultaneously. Industrial enterprises with an independent accounting system in the city in the first ten months of this year realized a gross industrial output value of RMB 37.11 billion, more than 30 percent up over the same period last year, of which the value earned from heavy industry was over RMB 10 billion, nearly 40 percent up, exceeding the growth of light industry. In addition, the industrial economic efficiency in the city in the first nine months this year rose stably, with its product sales value increasing by nearly 40 percent, the total value of profits and tax by nearly 60 percent, the ratio of product sales to production reaching 97 percent, and its per capita productivity being over RMB 36,000, more than 40 percent up.
- Construction of key projects in the city was speeded up. Since the beginning of this year, the city has seen its investment structure adjusted to some extent, its real estate fever cooling down and the items for its infrastructural facilities and high-tech industry increasing. There were 26 key projects set for this year in the city with a total investment value of RMB 27.777 billion, mostly focused on energy, transport and telecommunications as well as on high-tech industry.
- There was a good trend in the introduction of foreign capital. By the end of last October, the city had actually made use of over US\$800 million of foreign funds, and the number of enterprises funded by foreign businessmen in the first half of this year alone was equal to that for the whole of last year, with internationally well-known entrepreneurs and financial groups investing in the city especially increasing in number.

—Financial order there was improved, with savings deposits in state-run banks in the city reaching over RMB 65.7 billion by the end of last October more than 40 percent up over that at the beginning of the year. The structure of loans in the city showed a reasonable trend, the issuing of illegal inter-bank loans was curbed and rampant money-raising activities were stopped while the securities market there was further developed, with stock trading in such markets becoming increasingly active. In addition, the city has planned to set up markets for foreign exchange trading, gold trading and financial futures.

Guangxi Combats Arms Dealers, Drug Traffickers

HK1312154993 Beijing FAZHI RIBAO in Chinese 28
Nov 93 p 2

[By Mo Xiaosong (5459 1420 2646): "Guangxi Cracks Down on Crimes of Selling Guns and Drug Trafficking"]

[Text] This reporter has learned from the relevant authorities that since the beginning of this year, public security organs in various localities in Guangxi have achieved remarkable results in cracking down on the criminal activities of selling guns and drug trafficking. From January to October, 3,618 drug trafficking cases and 97 cases of gun sales were cracked throughout the region, 4,207 drug traffickers and 160 sellers of guns were caught, 303 drug trafficking rings and 18 gun rings were smashed, and a number of drugs and military firearms smuggled into the region from outside the territory were seized.

Over the past few years, Guangxi, as a border and coastal area, has been quite severely affected by the infiltration of guns and drugs from sources outside the territory. To counter this problem, public security organs in various localities in Guangxi took vigorous measures in light of the local reality to unremittingly carry out anti-gun smuggling and anti-drug trafficking work. In the two prefectures of Nanning and Baise, measures were taken to intercept, investigate, and fight against guns selling and drug trafficking activities to halt these crimes in border areas. In Nanning City, drug traffickers frequently contacted with each other and trafficked drugs in urban areas. To counter this characteristic, the Nanning City Public Security Bureau paid close attention to finding clues to crimes and made well-conceived plans to investigate and crack cases and fight against crimes. Last 8 September and 25 September, they successfully cracked two exceptionally large transnational drug trafficking cases; smashed two drug trafficking rings; arrested 15 drug traffickers, including two drug traffickers from outside the territory; and seized 27.63 kg of heroin, and money and proceeds from drug trafficking in excess of 600,000 yuan. The Nasuo Public Security Border Defense Checkpoint in Fangcheng City insisted on conscientiously inspecting and verifying personnel and cars entering and leaving the border administrative area, thus discovering and apprehending a number of gun dealers and drug traffickers. From January to

October alone, the checkpoint seized 24 military firearms, eight grenades, 2,672 cartridges, 360 grams of heroin, and apprehended 20 gun dealers and drug traffickers.

Guangxi Holds RENMIN RIBAO Subscription Teleconference

HK1412135593 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 11 Dec 93

[Text] The regional party committee general office and people's government general office called an emergency party newspaper subscription work teleconference on the evening of 10 December. Yang Jicheng, regional party committee standing committee member and propaganda department director, delivered a speech in which he emphatically urged an immediate turn for the better in Guangxi's RENMIN RIBAO subscription work.

After reviewing the region's RENMIN RIBAO subscription work up to 5 December, Yang Jicheng pointed out: The CPC Central Committee always attaches great importance to and shows great concern and support for the RENMIN RIBAO subscription work. Therefore, party committees and governments at all levels in Guangxi should take practical measures to expand RENMIN RIBAO's coverage and increase the total number of issues of RENMIN RIBAO published in Guangxi, thereby giving full scope to the important role of RENMIN RIBAO.

As regards the RENMIN RIBAO subscription work in 1994, Yang Jicheng stated: The regional party committee hopes to see a steady increase in the number of RENMIN RIBAO subscribers so that the total subscription to RENMIN RIBAO in the region in 1994 will outstrip that of 1993. Toward this end, party organizations at all levels across the region—including city and town party branches, rural township party committees, general party branches in enterprises or villages, government organs at all levels, and people's organizations at and above the provincial department section levels—should all subscribe to RENMIN RIBAO.

Hubei Conducts Anticorruption Investigation

HK1412083093 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 11 Dec 93

[Excerpts] Headed by Wang Xutong, deputy director of the Central Committee's Organization Department, and Tian Fuda, vice chairman of the Central Appraisal Committee of the Taiwan Democratic Self-Government League and member of the Nationalities Committee of the National People's Congress, a central investigation team conducted a 14-day survey and investigation on the struggle against corruption in various localities in Hubei from 26 November to 9 December. [passage omitted]

During its survey, the central investigation team listened to a report by the provincial party committee on the

province's struggle against corruption. On separate occasions, the investigation team held discussions with leaders from the provincial advisory commission, the provincial people's congress standing committee, the provincial committee of the Chinese People's Political Consultative Conference, democratic parties, and units directly under the provincial authorities, as well as retired cadres. [passage omitted]

On the afternoon of 9 December, Guan Guangfu, secretary of the provincial party committee; Jia Zhijie, deputy secretary of the provincial party committee and governor; Hui Liangyu, Qian Yunlu, and Zhong Shuqiao, deputy secretaries of the provincial party committee; Ding Fengying, member of the provincial party committee standing committee and secretary of the provincial discipline inspection commission; and Li Daqiang, member of the provincial party committee standing committee and vice governor, listened to the opinions of the investigation team, which confirmed the province's achievements in the struggle against corruption, pointed out the problems, and set requirements for the next stage of work.

After listening to the opinions, Comrades Guan Guangfu and Jia Zhijie expressed their specific views. Comrade Guan Guangfu said: According to the requirements set by the central investigation team, in the next stage of the struggle against corruption we should conscientiously implement central instructions, pay attention to the implementation and coordination of policies, be more dynamic in our work, strengthen our guidance for overall work, strengthen policy research, do a good job in reporting on the situation, consolidate the achievements in the struggle against corruption, promote the in-depth development of the struggle against corruption, and enable reform and economic construction to develop healthily.

Hubei Secretary, Governor Address College Ceremony

HK1312152393 Wuhan Hubei People's Radio Network in Mandarin 0400 GMT 8 Dec 93

[Text] The Hubei Administration College was officially founded on the campus of Hubei Party School today, and Guan Guangfu [provincial party secretary] and Jia Zhijie [provincial governor] wrote inscriptions for the occasion.

The inaugural ceremony was attended by a number of provincial party and government leaders, including Jia Zhijie, Zhong Shuqiao, Wang Zhongnong, Chen Ming [provincial advisory committee chairman], Liang Shufen, Meng Meilu, and Sen Yinluo, former provincial Chinese People's Political Consultative Conference committee chairman.

The provincial party committee and government decided to establish Hubei Administration College with an view to pushing ahead with reform, opening up, and

the socialist modernization drive, to furthering personnel system reform, and to establishing and perfecting a civil service system. The Hubei Administration College and the Hubei Party School will operate under the same leadership but two different names. Hubei Administration College is expected to conduct post-related training for Hubei's junior and intermediate civil servants under the direct leadership of the provincial people's government.

On behalf of the provincial party committee and government, Provincial Governor Jia Zhijie delivered a speech at the inaugural ceremony in which he expressed the hope that the staff of the Hubei Administration College will conscientiously implement and carry out the CPC Central Committee decision on studying Volume 3 of the *Selected Works of Deng Xiaoping*, will organize party and government cadres as well civil servants at all levels in Hubei to conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, will learn and master modern managerial skills, will cultivate a fine style of learning, will turn Hubei Administration College into a first-rate college, will earnestly explore a new road of successfully running the Hubei Party School and the Hubei Administration College, will conscientiously sum up new experiences of training party and government leaders as well as civil servants, and will make great contributions to Hubei's economic rejuvenation.

Hubei Maintains 'Stable' Economic Progress

OW1412073393 Beijing XINHUA in English 0655
GMT 14 Dec 93

[Text] Wuhan, December 14 (XINHUA)—Central China's Hubei Province has maintained its economic development stable, with no big fluctuations this year.

The growth of the main economic indices approaches the average level of the country.

In the first ten months of this year the total industrial output value was 114.667 billion yuan (about 20 billion U.S. dollars), 19.2 percent higher than in the corresponding period last year.

According to the provincial statistics bureau, big and medium-sized state enterprises and township firms took up 50.1 and 36.3 percent, respectively, of the total industrial output value.

The province is expected to reap 23.25 million tons of grain and 500,000 tons of cotton this year, and its agricultural production value will grow by about 55 percent.

The investment in the energy, transportation, and posts and telecommunications sectors has increased by a big margin, especially in state-priority projects such as the geheyan hydropower station, Wuhan Steel Plant, Tianhe Airport and the Three Gorges Project.

Between January and October this year the social commodity retail sales volume of the province reached 44.389 billion yuan (about 74.13 billion U.S. dollars), a 19.6 percent increase over the same period of last year.

In the same ten months the export volume was 1.284 billion U.S. dollars, a 12 percent increase over the same period of last year.

In the first nine months of this year the province approved the setting up of 1,775 foreign-funded firms with a total investment of 4.071 billion U.S. dollars.

This year a 31.4 percent increase has been registered in per capita income in urban areas, and 16.7 percent in rural areas. It is estimated that Hubei will see a ten-percent increase in gross domestic product; farm production value will rise four percent, industrial output value 15 percent, investment in fixed assets over 30 percent, and in retail sales volume 16 to 17 percent.

Meanwhile, it is expected that inflation will be about ten percent next year.

Hubei's Wuhan Opens Branch of Merchant Bank

OW1312163493 Beijing XINHUA in English 1551
GMT 13 Dec 93

[Text] Wuhan, December 13 (XINHUA)—China's Merchant Bank, a share-holders' company, today opened a branch in Wuhan—the second branch of the bank.

The new branch in Wuhan, in Central China's Hubei Province, followed a branch set up in Shanghai.

With its headquarters in the southern booming city of Shenzhen, the Merchant Bank has a total registered capital of 1.2 billion yuan.

Preparation for the Wuhan branch started in last December.

By the end of last month, the bank branch had opened 955 accounts with deposits totalling 412 million yuan and more than 5 million U.S. dollars during the soft operation. It had offered loans of 400 million yuan and over 7 million U.S. dollars.

It has business relations with more than 20 different banks in about ten countries throughout the world.

It was organized as a share-holders' company, with seven large state-owned enterprises as main share holders. About 43 percent of the shares are owned by the China Merchants' Steam Navigation Company, and 25 percent by the China Ocean Shipping Company.

Hubei To Accelerate Fishery Production

HK1412074293 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 10 Dec 93

[Excerpts] From 6 to 8 December, a provincial high-yield, high-quality, and high-efficiency on-the-spot

fishery meeting was held in Honghu City. Provincial party Secretary Guan Guangfu and Deputy Secretary Hui Liangyu made important speeches, while Vice Governor Wang Shengtie made the concluding speech. The meeting stressed that the aquatic industry is important in Hubei's rural economy and that it is necessary to seize the opportunity to energetically develop high-yield, high-quality, and high-efficiency fisheries so that the aquatic industry becomes a breakthrough point in developing a diversified economy and comprehensively invigorating the rural economy. [passage omitted]

This meeting was an important move and step by the people on the aquatic front in seriously implementing the instructions of the rural work meetings of the Central Committee and the provincial party committee. [passage omitted]

The meeting comprehensively summed up and analyzed Hubei's achievements, experience, and potential for aquatic industrial development since the introduction of reform and opening up. [passage omitted] The aquatic breeding area has been expanded from 3.55 million mu in 1987 to the present 7 million mu. The gross aquatic product is expected to top 900,000 metric tons this year, with per capita holdings of 16 kg of fresh water products, ranking second in the country. [passage omitted]

The meeting set five development targets for 1994: Reclamation of waste water areas and the development of good-quality water areas should reach 1 million mu; the gross aquatic product should reach 1 million metric tons; fishery output value should reach 1 billion yuan; the proportion of fishery output value to macro-agricultural output value should reach 10 percent; and the per capita net income should increase by more than 100 yuan on the basis of this year's 1,000 yuan.

In their speeches, Guan Guangfu and Hui Liangyu said: In developing the aquatic industry, we should have a long-term plan and a detailed objective; more importantly, we should also have a clear development road and main points of endeavor. [passage omitted] We should combine breeding in small water areas with development of large water areas; combine undertakings by families, collectives, and state enterprises; combine the production of popular products with famous and special products; combine breeding, processing, and marketing; and combine domestic with foreign trade so that fishery will have a broader development road and better results.

Guan Guangfu and Hui Liangyu stressed: We should organize fishery production with socialist market economy principles, continuously deepen reform, and improve our policies to create the necessary conditions for the development of high-yield, high-quality, and high-efficiency fisheries and to inject vitality into the aquatic economy. There is a need to formulate a preferential policy to speed up fishery development and to increase investments in fisheries by various means. [passage omitted]

In conclusion, Guan Guangfu and Hui Liangyu stressed: It is necessary to: Strengthen leadership over aquatic work and management over fisheries; promptly handle fishery disputes; resolutely curb illegal activities undermining fishery production; protect the legitimate rights and interests of aquatic dealers; and to maintain good order in fishery production. All-level party committees and governments, in light of their specific conditions, should discuss and formulate plans for faster fishery development, ensure implementation of major policies and measures, make overall arrangements for development and construction, and continue to create favorable conditions for aquatic development. [passage omitted]

Southwest Region

Foreign Experts Help Guizhou Promote Economy

OW 1312092593 Beijing XINHUA in English 0646
GMT 13 Dec 93

[Text] Guiyang, December 13 (XINHUA)—Residents in southwest China's Guizhou Province, a less-developed region in the country, are now enjoying a better life with the help of overseas experts.

More than 700 foreign experts have been invited to the province over the past few years. They have helped the province with its agriculture, animal husbandry and basic as well as high-tech industries.

The province, with 428 hectares of grassland, has now become an animal husbandry centre in southwest China.

Earlier in the 1980s, a forage grass seed farm, the first of its kind in the country, was set up in the province with assistance from New Zealand.

With the guidance of New Zealand experts, an upgraded production centre was established on barren hills in Dushan County in the southern part of the province. It mainly produces high yielding grass seeds to facilitate animal husbandry. Sheep, which used to be raised in the north of China, have now happily settled down in the province.

By now the province has grown 80,000 hectares of forage grass, and it has earned more than 15 billion yuan (about 2.5 billion U.S. dollars) with its animal husbandry over the past 10 years.

"Foreign experts have really helped to promote our economy," said Liu Guangmu, an official of the provincial office for overseas skilled personnel.

The Huayang Electronics Factory has invited experts from Germany, Japan, Austria and the Republic of Korea to help produce switches and locking devices for limousines. Now the factory produces three-quarters of these products in China.

Activities, Remarks of Sichuan Secretary Reported**Addresses Deng Book Study Class**

HK1112030893 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 8 Dec 93

[Text] A study class for Sichuan's county party committee secretaries was inaugurated in Chengdu yesterday.

Provincial party committee Secretary Xie Shijie and Song Baorui, provincial party committee deputy secretary, delivered important speeches at the class' opening ceremony.

In his speech, Xie Shijie summed up this year's provincial work and stated: The provincial party committee has attached great importance to the class and hopes that all the participants will concentrate on conscientiously studying Volume 3 of the *Selected Works of Deng Xiaoping*, as well as the CPC Central Committee "Decision on Issues on Building a Socialist Market Economic Structure" in light of local realities, actively discuss and resolve problems, and improve county-level work.

Xie Shijie emphatically urged all county party committee secretaries to continually and firmly grasp two work aspects at the same time, energetically push ahead with the on-going anticorruption struggle and safeguard social stability, strive to maintain social order, acquire a correct and comprehensive understanding of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, guide county work with Comrade Deng Xiaoping's theory, correctly view the current situation, profoundly understand and resolutely implement the spirit of the Third Plenary Session of the 14th CPC Central Committee, and conscientiously carry on all sorts of work.

Xi Yifang, provincial party committee standing committee member and propaganda department director, presided over and delivered a report at the class's opening ceremony in which he expounded on the great significance of Volume 3 of the *Selected Works of Deng Xiaoping*.

Discusses United Front Work Role

HK1412092293 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 11 Dec 93

[Text] A provincial united front and religious work conference concluded in Chengdu yesterday.

Xie Shijie [provincial CPC committee secretary] attended and delivered an important speech at the conference comprising the following three parts:

1. To clearly view the situation and grasp each and every opportunity to speed up development;
2. To profoundly understand the importance of united front work under the new circumstances and bring into full play the role of the patriotic united front;

3. To strengthen party leadership over united front work and enable the whole party to attach great importance to united front work.

Xie Shijie pointed out: We should make full use of and exploit united front resources in light of the realities in Sichuan, bring into full play the role of united front work, and actively and successfully carry out the following work:

1. To adhere to economic construction as the center and push ahead with reform, opening up, and the development of the socialist market economy;
2. To persist in and perfect the multi-party cooperation and political consultation system and press ahead with political structural reform;
3. To successfully carry out nationalities and religious work and safeguard social stability;
4. To successfully carry out united front work, facilitate the implementation of "one country, two systems," and push ahead with peaceful reunification of the motherland.

Xie Shijie called on party committees at all levels across the province to attach great importance to united front work and cultivate a strong sense of united front work among all party members. He also urged governments at all levels across the province to speed up united front work and view the patriotic united front from a higher strategic plane and take it as an important means of strengthening state power.

Xie Shijie noted: On the other hand, united front work departments should also make constant efforts to improve work and clearly understand the premise on which their work should be conducted.

The conference's closing ceremony was attended by a number of provincial party and government leaders, including Qin Yuqin, Xi Yifang, Song Dafan, Ou Zegao, Yangling Doje, and Zhang Tinghan.

Sichuan Governor Views Economic Development Goals

OW1312161993 Beijing XINHUA in English 1520
GMT 13 Dec 93

[Text] Chengdu, December 13 (XINHUA)—To raise Sichuan's economic development to a new height in the coming years, four major goals must be achieved, the governor said recently.

Xiao Yang, governor of southwest China's Sichuan Province, said that as China's most populous province, with more than 100 million residents, mostly in the rural areas, the province should first pay close attention to the development of agriculture.

Farming is the foundation of work in other sectors, and farmers' living standards have a close bearing on the province's economy as a whole.

Xiao noted that there are still a considerable number of farmers who live without sufficient food or clothing in the remote areas.

He said that great efforts should be made to help farmers achieve prosperity and that all sectors should support the development of agriculture and serve the farmers.

Second, he said, emphasis should be placed on infrastructural construction, including traffic, transportation, energy, and telecommunications.

Macro controls are being enforced this year to ensure 59 key projects in building railways and power stations, he said.

The governor said the third goal is to pay close attention to the transformation of operational mechanisms and technological upgrading in large and medium-sized state-owned enterprises.

About 20 enterprises have been chosen to experiment with building operational structures that suit a socialist market economy, he said.

He pointed out that in the first six months of this year, Sichuan experienced an accelerated development of enterprises and good economic returns.

Last, he said, great efforts should be made to develop township enterprises. The governor also called for efforts to seek more overseas investment.

XINHUA Puts 'Hold' on Tibet Recruits Item

OW1512112293 Beijing XINHUA Domestic Service in Chinese 0657 GMT 15 Dec 93

[By reporter Bai Bing (4101 0393); Beijing XINHUA Domestic Service in Chinese at 1002 GMT on 15 December transmits a 55-character message putting a "hold" on the following item]

[Text] Lhasa, 15 Dec (XINHUA)—On the afternoon of 14 December, the Tibet Autonomous Region sent its first military recruits to the hinterland. To the majestic strains of martial music, they left Lhasa for barracks in the hinterland, carrying with them the hopes of people of all nationalities in the region.

This year marks the first time that Tibet has sent military recruits to the hinterland. This shows the concern of the party Central Committee, the State Council, and the Central Military Commission for the people of Tibet and youth of military age. The new fighters who left for military service in the hinterland felt honored and proud. They said: We must master the skills of defending our motherland. Moreover, we should broaden our horizons and expand our knowledge, so that we can better build our hometown after our return.

Present at the send-off ceremony were leaders from the autonomous regional party committee, the autonomous regional government, and the Tibet Military District.

They gave hada [a piece of silk used as a gift] to the departing new recruits and wished them a pleasant trip and good luck.

North Region

Beijing Seeks To Alleviate 'Acute' Water Shortage

OW1112070193 Beijing XINHUA in English 0644 GMT 11 Dec 93

[Text] Beijing, December 11 (XINHUA)—China's capital city Beijing has decided to curb the development of high-water-consuming industries in order to alleviate the acute water shortage that has plagued the city for decades.

This is one of the measures presented in the city's urban development plan for 1991-2010, which has been approved by the State Council, China's highest administrative body.

Experts have painted a grey picture for the capital's water supply situation, as the city is expected to face mounting water shortages in years to come.

Estimates predict the city's water demands will reach 4.9 billion cubic meters for an average year and 5.2 billion cubic meters for a dry year by the year 2010, dramatically outstripping then available water reserves of 3.9 billion cubic meters in an average year and 3.2 billion cubic meters in a dry year.

To deal with the water shortage headache, the central and municipal governments have jointly worked out a set of measures.

According to the plan, a closed water-cooling recycling system will be introduced into local electric power plants to raise the water re-use rate to over 95 percent. And water re-use rates above 80 percent will also be expected in other industries.

Big water-consuming industries will be strictly controlled in the city, while installing water-saving facilities in public buildings as well as in households will be encouraged.

And more advanced irrigation systems, such as spray and trickle systems, will be developed in rural areas around the city to raise irrigation efficiency and reduce water waste.

Sewage treatment plants now operating or under construction handle 615,000 cubic meters of waste water a day, about 23 percent of the total. The city plans to build eight large and medium-sized and eight small water treatment plants within the next 20 years, when the total treatment rate will reach 90 percent.

The city will also strive to bolster water reserves by making full use of surface and ground water, rainfall and snowfall.

At the same time, the city is engaged in developing new water resources.

An ambitious project has been mapped out to divert water from Danjiangkou Reservoir of Hubei Province to the city.

The project is expected to help import some 1.2 to 1.3 billion cubic meters of water into the capital annually.

Hebei Secretary on Struggle Against Corruption

SK1412070593 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 13 Dec 93

[Text] The provincial party committee sponsored a forum on 13 December to discuss the work of waging the struggle against corruption and to make arrangements for vigorously utilizing the two months before the Spring Festival to concentrate efforts, time, and energy to successfully combat the knotty problems in the struggle and to ensure periodical results.

Cheng Weigao, secretary of the provincial party committee, and Li Bingliang, deputy secretary of the provincial party committee, attended and addressed the forum.

After summarizing and exchanging their experience gained in the former period of the struggle during the forum, the participants pointed out that since the second plenary session of the Central Discipline Inspection Commission our province had won initial success in the struggle. However, as compared with the periodical targets set by the CPC Central Committee, the State Council, and the provincial party committee as well as with the people's desire, our province still has quite a large gap in this regard. First, the understanding of some leading cadres on the importance and necessity of the struggle is not high and their work conducted in this regard is not effective. Second, measures adopted for the struggle still lack sufficient strength and have not been implemented enough. The investigation and handling of serious and appalling cases are not effective and the level of winding up cases is low. Third, a large gap still exists in the setting of example by leading cadres and self-examination in the struggle.

In coping with the aforementioned problems in his speech, Cheng Weigao pointed out: A good job should be realistically done in conducting the work in this regard by studying the third volume of Deng Xiaoping's selected works, further upgrading or enhancing the construction of socialist spiritual civilization and the construction of the party's ideology and work style, and strengthening the consciousness in anticorruption and in the honest performance of official duties. He put forward that party committees and governments at all levels should make work arrangements for 1994 in line with the principle of persistently building material and spiritual civilizations simultaneously and scoring achievements in both of them. They should make overall arrangements for the construction of them. In building spiritual civilization, we should also have construction be successful in

the following three aspects: Tasks for building spiritual civilization should be distinct. The work of building spiritual civilization should be carried out systematically. Responsibilities for building a spiritual civilization should be specified. In building spiritual civilization, we should make construction checkable, measurable, and comparable as we did in economic construction.

Cheng Weigao said: We should vigorously grasp the last two months to resolutely carry forward the struggle through to the end in line with the demands of the three missions and five tasks set in the struggle against corruption and to ensure periodical results before the Spring Festival.

During the forum, Li Bingliang also delivered a speech in which he put forward specific demands in the work against corruption before the Spring Festival.

With New Year's Day around the corner, the forum urged party and government organs at all levels and leading cadres to achieve not only in performing their official duties honestly but also in industriously doing their official work strictly according to the demands set in the circular issued by the general office of the CPC Central Committee, the general office of the State Council, the general office of the provincial party committee, and the general office of the provincial people's government, so as to truly score periodical results in the struggle against corruption before New Year's and the Spring Festival.

Attending the forum were Li Yongjin, vice chairman of the provincial people's congress standing committee; Wang Manqiu, vice chairman of the provincial Chinese People's Political Consultative Conference committee; and Ping Yijie, president of the provincial higher people's court. Autoprocessing Division

Northeast Region

Heilongjiang Reports 1994 Scientific Reform Ideas

SK1412063093 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 13 Dec 93

[Text] Heilongjiang will adopt fairly large-scale reform measures for its system of science and technology next year. At the conference held today on reforms in the system of research at research institutes in the province, (He Lian), director of the provincial science and technology commission, publicized the ideas for next year's reforms in scientific research.

He said: In the next few years, we should adopt effective measures to explore ways of integrating science and technology with the economy, rationalize distribution of the existing scientific and technological resources, and gradually establish a new and vigorous scientific research system and operating mechanism that are compatible with the socialist market economy and establish the

scientific research organizations that are optimal in structure, reasonable in layout, compact, and highly effective.

Speaking on the specific ideas for next year's work, Director (He Lian) said: First, the key institutes of the province and key provincial-level laboratories that have been built or are being built should provide a full guarantee and sustained and stable support to the contingents that undertake basic research, high-tech research, construction of major projects, and major tasks. Financial allocations and scientific research funds should be increased by a fairly large margin to expand support. Second, scientific research institutes engaged in technological development should be integrated with the economy and develop themselves into enterprise-type science and technology institutes. Various measures may be adopted to develop the enterprises or enterprise groups engaged mainly in scientific and technological development. Third, welfare and agriculture-oriented scientific research organs should divert their personnel to other fields of work, optimize their structure, and gradually become self-supporting.

(He Lian) also talked about the major task for next year. He said: The major task for next year is to successfully carry out two important projects. One is to cultivate the new growing points of the economy and the projects to industrialize high and new technology. The other is to render service for the province's township enterprises to cross a new threshold and provide across-the-board service to the 100 small town and township industrial zones.

Heilongjiang Group Returns From South Asia

SK1512100493 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 14 Dec 93

[Text] After satisfactorily winding up the formal friendly visits to three countries in South Asia, Zhou Wenhua, chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], returned to Harbin on 14 December. Zhou Wenhua was the only local CPPCC chairman to accompany the national CPPCC delegation to visit the three South Asian countries.

Provincial Leaders Shan Rongfan, Zhou Tienong, Huang Feng, Dai Moan, Chen Wenzhi, and Yan Fangzhi welcomed Zhou Wenhua at the airport.

Jilin To Combat Winter Smuggling Activity

SK1412064793 Changchun JILIN RIBAO in Chinese 30 Nov 93 p 1

[By reporters Cui Zhongwen (1508 1813 2429) and Yin Hua (1438 5478): "Jilin Government Works Out New Ways for Attacking Smuggling Activities in Winter"]

[Text] Since the beginning of this year, a large number of vehicle smuggling activities have emerged in border

areas of the province. Through the stern attacks by the departments concerned, the smuggling trend has rapidly been brought under control since fall. However, the freezing over of the Tumen Jiang with the arrival of winter has brought about many difficulties in dealing blows to the smuggling activities along the over 1,400-kilometer-long border. The provincial party committee and the provincial government held a winter antismuggling work conference in Changchun on this issue. The conference further implemented the guidelines of the central antismuggling work conference and the central leaders' instructions on the province's antismuggling work, analyzed the current grim situation in attacking smuggling cases and the current existing problems, and made additional antismuggling work arrangements.

At the conference, Liu Xilin, vice governor of the provincial government, stressed: During this winter and this spring, we should take the investigation and handling of major and appalling smuggling cases as a breakthrough point and concentrate efforts on implementing the winter antismuggling measures for the freezing over of Tumen Jiang. We should speed up the pace of investigating and handling major and appalling cases according to laws and deal blows to the smuggled vehicles. The individual whose imported vehicles are valued at 20,000 yuan or more and the legal person whose imported vehicles are valued at 300,000 yuan or more should be investigated according to criminal laws. We should strictly guard against smuggling thoroughfares, stop up ports, close borderlines, check strategic passages, and ensure that the areas where smuggled goods are easily imported should have persons on duty all day long so as to establish defense lines at ports, borders, and roads. Simultaneously, we should check on imported vehicles, clear up and straighten out markets, and thoroughly cut the channels for circulation of smuggled goods. Those who act as middlemen and provide various kinds of formalities, certificates, plates, and forged formalities and certificates for smuggling vehicles and marketing smuggled vehicles should be strictly punished. In the course of dealing blows to smuggling activities, we should also sternly investigate and handle the leading cadres and law enforcers who are engaged in smuggling activities, accept bribes to harbor smugglers, and instigate others to engage in smuggling activities; and regard the antismuggling struggle as a breakthrough point of the anticorruption work.

The conference urged party committees and governments at various levels to stand on the high plane of safeguarding the state interests and the image of reform and opening up, ensuring the smooth progress of the anticorruption struggle, and building a developed province bordering the sea to understand the importance of dealing blows to smuggling activities. It is necessary to set up the responsibility system at various levels; to carry out the system that leaders assuming responsibility for investigating cases on a contracted basis, and to define responsibility to counties, townships, and villages. Law enforcement departments should bring their functions

into full play. Party committees and governments at various levels must positively support law enforcement departments. We must neither substitute words for laws nor prevent law enforcement work. The law enforcement departments should strengthen self-construction work and consolidate and correct any weak links that are found. Simultaneously, propaganda departments and mass media organs should strengthen the propaganda on dealing blows to smuggling activities and create a social atmosphere to deal blows to smuggling activities.

Liaoning's Gu Jinchí Inspects Jinxi City

SK1412062893 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 13 Dec 93

[Text] On 10-11 December, Gu Jinchí, secretary of the provincial party committee, and Xiao Zufu, standing committee member of the provincial party committee and vice governor of the provincial government, visited enterprises and rural areas in Jinxi city and heard the work report for Jinxi of the past four years since the city's establishment.

Gu Jinchí said: Jinxi city is a newly-established city. It must have some new special features and pioneer its own ways of development. If it remains with others, it will always lag behind.

In regard to the issues of cadres and leading bodies, Gu Jinchí especially stressed: We should select cadres from all parts of the province, mobilize enthusiasm from all fronts, and make concerted efforts to develop the economy. Whether the party organizations at various levels are able to guide the people to seek wealth and to rapidly develop productive forces is an important indicator for judging their combat effectiveness.

He said: Jinxi has many large enterprises. In developing the economy, we should have large enterprises guide small ones and urban areas guide rural areas, make good to make up for the bad, and attend to intense and precise processing of products.

Northwest Region

Gansu Secretary at Anticorruption Work Meeting

HK1412021093 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 8 Dec 93

[Text] Provincial party committee Secretary Yan Haiwang presided over a work meeting of provincial party committee deputy secretaries on 6 December.

The meeting participants analyzed and reviewed the province's anticorruption struggle and called on party committees and governments at all levels in Gansu to earnestly strengthen leadership over and adopt forceful measures to further deepen the on-going anticorruption struggle.

The participants stated: Over the past three months, all levels and units in Gansu have actively adopted measures to implement three major tasks, as well as done a lot of work and scored initial results in the anticorruption struggle in accordance with both the central arrangements and the provincial party committee plan. Nonetheless, the province's initial results in this connection should in no way be overestimated.

The meeting called on all comrades in Gansu to be aware of both the problems and shortcomings of the on-going struggle. It maintained: In view of the present situation, party committees and governments at all levels across the province should concentrate on all focal work points, improve weak links, unremittingly tackle practical problems in a down-to-earth manner, and strive for tangible results in this stage of work. To this end, it is first imperative to resolutely rectify problems exposed in the course of self-criticisms among cadres in accordance with the five central regulations on maintaining honesty and discipline on the part of cadres. We should not investigate problems without rectifying them or delay rectification of problems under various pretexts. Rather, we should severely criticize and discipline those units or departments that have failed to rectify problems and order them to conduct reinvestigations and rectification. We should organize and dispatch personnel to investigate problems causing strong resentment among the broad masses of the people. After receiving and verifying complaints from the masses, we should strictly deal with a handful of units or departments responsible for such complaints.

Second, it is imperative to adopt forceful measures to step up investigation and settlement of all major and serious cases. We should strengthen determination and quicken pace in this regard. All areas and units concerned across the province should conscientiously study appropriate measures, concentrate on investigating and settling a few relatively big cases, and strive to have another batch of major and serious cases settled before the end of this year. The principal party and government leaders, as well as other leaders concerned, should strengthen supervision and provide guidance in a timely manner. No area or unit should be allowed to cover up any major or serious cases. The areas or units that either refuse to report major and serious cases to higher authorities or try to harbor evildoers should be strictly disciplined.

Third, it is imperative to successfully further rectify professional malpractices, especially such a malpractice as indiscriminately collecting fines, fees, and apportionments. We should stop collecting fees declared as unreasonable and strictly deal with and discipline those areas and units that refuse to stop collecting such charges, reluctantly obey such orders, or continually collect charges under various pretexts. We should make redoubled efforts to rectify all types of professional malpractices. To this end, all trades and professions as well as public security, industrial, and commercial departments across the province should learn from the railroad

departments by organizing and dispatching personnel to inspect major departments and key links to find out and tackle problems in a timely manner.

The meeting called on all areas and units concerned across the province to firmly adhere to two work aspects at the same time, make overall arrangements, rationally assign work tasks, take the anticorruption struggle as a major task, successfully and energetically further the struggle, make a success of Gansu's economic work, and strive to successfully fulfill all this year's tasks.

Acting Gansu Governor Stresses Assisting Poor Areas

HK1412142293 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 13 Dec 93

[Excerpt] During an inspection of Longnan Prefecture, Acting Governor Zhang Wule stressed that, while carrying out the comprehensive development of Hexi and the consolidation and improvement of the central region, there is a need to switch the focus of assisting the poor to mountainous areas and poor ethnic areas and to concentrate efforts on helping the poor in the south.

From 4 to 10 December, accompanied by Han Zhengqing, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, and leaders of the relevant government departments and Longnan Prefecture, Acting Governor Zhang Wule inspected economic development in Lixian, Xihe, Chengxian, Wudu, and Dangchang Counties as well as their work of assisting the poor. During the inspection, Comrade Zhang Wule stressed the following on many occasions: The decision of the Third Plenary Session of the 14th CPC Central Committee on several questions concerning the establishment of the socialist market economic structure has given Longnan a new opportunity to carry out the work of assisting the poor in development and has also posed a new challenge. Under market economic conditions, the work of assisting the poor in development should correspond with the already-changed situation, and efforts should be made to constantly improve the thinking of the cadres and masses in poor areas about the market economy.

Zhang Wule explicitly pointed out: The work of assisting the poor in development is a government move and fully embodies the loving care of the party and the government for the people in poor areas. The introduction of the market mechanism should not be set against the work of assisting the poor. Zhang Wule repeatedly stressed: In assisting the poor in development, there is a need to bring the strong points of our resources into play, paying equal attention to grain production and cash income so as to bring about prosperity in counties and townships and for the people. Longnan Prefecture is rich in resources. It has strong points in mineral products, fruit, animal husbandry, and medical herbs. Each strong point should be brought into play; the development and utilization of resources should be expedited; and the avenue for economic development should be broadened.

In particular, equal attention should be paid to grain production and cash income so as to stabilize the peasants' income. [passage omitted]

Gansu Becoming Scientific Research Base

OW1412091293 Beijing XINHUA in English 0747 GMT 14 Dec 93

[Text] Lanzhou, December 14 (XINHUA)—Northwest China's Gansu Province, which used to be associated with loess, deserts and camel to signify its underdevelopment, has become a base of scientific research of China and made fast progress in industrialization and modernization.

The first heavy ion accelerator produced by China is stationed in Lanzhou, the provincial capital.

A group of advanced scientific and research institutes, such as key state laboratories on nuclear analysis and cryopedology, have been established in the province in recent years. Initial scientific results have been reported in many fields.

According to the latest statistics, the province now has 768 state-owned or non-governmental scientific organizations employing more than 330,000 people. An average of 600 research results a year have been achieved in recent years.

The province has also made comprehensive progress in industry and agriculture.

With more than half of its 390,000-square-kilometer territory covered by deserts and loess, Gansu has long been one of the country's poorest and most backward provinces.

During the first five-year plan period (1953-1957), the central government decided to build 16 of 156 key state projects in the province.

After decades of development, the province has established a relatively independent and complete industrial structure, characterized by the sectors of energy, nonferrous metals, petrochemicals, machinery, electronics, textiles, construction, building materials and national defense.

The province has established some 186 large and medium-sized backbone enterprises.

These enterprises, such as the Lanzhou chemical industry company and the Jinchuan Nonferrous Metals Company, have helped form an economic pillar of the province.

The province is also becoming an electronics center in the northwest, and is now capable of producing more than 15 million high-quality integrated circuits and 600,000 color and black and white TV sets a year.

The province's agriculture has largely freed itself from mother nature's whims as a result of introducing new techniques into farm production in recent years.

The province's total irrigated areas have topped more than 933,000 ha, thanks to the construction of more than 40 large and medium-sized water conservancy projects.

Following the increased input of funds, manpower and advanced management into agriculture, the province has been turned into a main grain producer.

Qinghai Secretary Addresses Anticorruption Meeting

HK1412021493 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 10 Dec 93

[Excerpts] On 9 December the provincial party committee's anticorruption leading group held a feedback session on reviewing anticorruption work. Vice Governor Liu Guanghe presided over the meeting. [passage omitted]

On 12 November, the provincial party committee's anticorruption leading group formed six work teams to investigate anticorruption work in units of the Xining area directly under the provincial authorities. After investigation, the work team pointed out that party organizations of these units took the current anticorruption work seriously, regarded anticorruption work as a strategic task, and made careful and conscientious arrangements for the first and second stages of anticorruption work. [passage omitted]

On the whole, Qinghai has made certain achievements in anticorruption work. But there are also problems. Some units have not paid enough attention to anticorruption work or promptly handled the problems reported by the masses. [passage omitted]

At the feedback meeting, provincial party Secretary Yin Kesheng raised some proposals on Qinghai's anticorruption work. He said: We should conscientiously study Volume 3 of the *Selected Works of Deng Xiaoping*, use Deng Xiaoping's thinking to guide our work, resolve whatever problems we encounter, and seize the time and remove obstacles to carry out our work well. In our work, we should be clear-cut in distinguishing between right and wrong.

Provincial party Deputy Secretary Tian Chengping discussed three requirements for Qinghai's third stage of anticorruption work. He said: The struggle against corruption should proceed from individuals and everyone should remain clean and self-controlled. In work, we should not rival with each other for higher posts, should not cover up problems, and should not ask others for something by taking advantage of our posts. While performing our work well, we should also do well in cracking and handling major cases in government institutions.

Qinghai Secretary, Governor Attend CYL Ceremony

HK1012133893 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 7 Dec 93

[Excerpts] The Ninth Qinghai Provincial Communist Youth League [CYL] Congress was solemnly inaugurated in Qinghai People's Auditorium on the morning of 7 December.

The opening ceremony was attended by a number of provincial leaders, including [provincial party committee Secretary] Yin Kesheng, [provincial Governor] Tian Chengping, Sang Jiejia, Tang Zhengren, Doba, Yao Xiangcheng, Huanjue Cenam [provincial people's congress standing committee chairman], Gaisang Doji, Bainma Dandzin, [provincial advisory committee Chairman] Ma Wanli, and Kang Shichang, as well as persons in charge of various departments concerned. [passage omitted]

Entrusted by the provincial party committee, Yao Xiangcheng, provincial party committee standing committee member, delivered a congratulatory speech at the opening ceremony in which he said: Over the past five years, the CYL organizations at all levels in Qinghai have made constant efforts to arm the broad masses of the CYL members and youth with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, unswervingly implemented the party's basic line, upheld the CYL banner, followed the party, worked hard, lived a plain life, and made historical contributions to building socialist spiritual civilization and material civilization and promoting common prosperity and progress among people of all nationalities in Qinghai.

In his speech, Yao Xiangcheng stated: Qinghai is a province inhabited by people of various nationalities. Thus nationality solidarity is crucial to Qinghai. Each and every CYL member is politically duty-bound to safeguard nationality solidarity, social stability, and long-term security in Qinghai. We should continually carry out Marxist education among the broad masses of the CYL members and urge them to learn the country's nationalities and religious policies so as to enable them to understand that people of the Han nationality and people of other nationalities cannot survive without each other. The CYL members of all nationalities in Qinghai should set a fine example in strengthening nationality solidarity, they should treasure nationality solidarity in the same way as they do to their own eyes, respect, learn from, and unite with one another, and adopt a clear-cut stand in resolutely opposing all types of separatist behaviors and remarks aimed at undermining nationality solidarity and social stability.

Yao Xiangcheng also called on the CYL organizations at all levels in Qinghai to conscientiously organize the broad masses of CYL members and youth to study the third volume of the "Selected Works of Deng Xiaoping," take such study activities as a major task, arm the mind

and guide the realistic work with Comrade Deng Xiaoping's theories, constantly heighten consciousness and resolution on the part of the broad masses of the CYL members and youth in implementing and carrying out the party's basic theory and basic line, and constantly improve their ability of studying new situations and solving new problems in accordance with the Marxist stand, viewpoint, and method with a view to enabling them to successfully accomplish their historical mission.

On behalf of the provincial federation of trade unions, provincial federation of women, provincial science association, and provincial association of writers and artists, Qiu Fuhui, provincial federation of trade unions chairman, extended the warmest congratulations to the congress.

On behalf of the Eighth Qinghai Provincial CYL Committee, Comrade Deng Bentai delivered a work report at the congress. [passage omitted]

Qinghai 1993 Grain Output To Reach 1.186 Billion Kg

HK1412021293 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 8 Dec 93

[Excerpt] On the afternoon of 7 December, the provincial government held a news briefing at which provincial Vice Governor Ma Yuanbiao reviewed the province's rural and pastoral areas economic growth.

Statistics released by the province's statistics departments showed that Qinghai's 1993 total grain output is expected to reach 1.186 billion kg, slightly higher than last year, and oil crops output is to reach 150 million kg, an increase of 15 million kilograms over last year, hitting an all-time high and recording the seventh consecutive good annual harvest.

The total amount of livestock is expected to remain at last year's level. Except for sheep's wool, animal husbandry products are expected to record higher outputs.

The province has successfully fulfilled its afforestation quota this year by planting trees on some 500,000 mu of land. The province's total township and town enterprise output is expected to rise to 1.08 billion yuan, a 30 percent increase over last year, while per capita income of the province's peasants and herdsmen is expected to reach 670 yuan, an increase of 67 yuan over last year.

At the news briefing, provincial Vice Governor Ma Yuanbiao said: This year, despite serious natural calamities, Qinghai has succeeded in raising agricultural and animal husbandry output. This is because we have followed a series of correct agricultural and animal husbandry policies. [passage omitted]

Xinjiang's Tarim Basin Produces More Grain

OW1012041793 Beijing XINHUA in English 0321 GMT 10 Dec 93

[Text] Urumqi, December 10 (XINHUA)—Thanks to the establishment of high-yield farmland, the Tarim basin, known more for its large-scale oil prospecting than for agriculture, has produced an additional 270 million kg of grain since 1991.

The basin, located in northwest China's Xinjiang Uygur Autonomous Region, has earned an additional 192 million yuan from the increased output of grain, local officials told XINHUA.

Beginning in 1991, the academy of agricultural sciences of Xinjiang has cooperated with local agro-technical departments on the experimental creation of 1,000-kg-yield farmland in five selected counties and one city in the Tarim basin valleys of the Hotan and Yarkant rivers.

So far, they have developed an overall 59,500 ha of 1,000-kg-yield farmland in the six targeted areas and have recorded an average grain output of 1,048.34 kg on each mu (0.0667 hectares), through cross-breeding of wheat and maize and repeated cultivation of wheat and rice, coupled with the use of improved high-yield early varieties and increased input into improving production conditions.

As the 1,000-kg-yield farmland became established in wider areas, counties and cities in the valleys of the above-mentioned two rivers decided to improve the planting structure and prepared more farmland for growing cotton and other cash crops.

New Cities Rising Around Gobi Desert in Xinjiang

OW1212035293 Beijing XINHUA in English 0259 GMT 12 Dec 93

[Text] Urumqi, December 12 (XINHUA)—A series of new cities is being built in and near the Gobi desert in north-west China.

These cities are rising in Xinjiang Uygur Autonomous Region, thanks to government efforts to boost development in the vast areas inhabited by ethnic minorities.

Lying on both sides of the Tianshan mountains area, the newly-emerging cities include Shihezi, Guitun, Wangjialiang, Beiqu, Alaer, Korla and Dushanzi.

They have become pace-setters of economic development for the country's northwest inland Xinjiang, more than half of whose 1.6-million-sq-km territory is deserts and mountains.

Shihezi city, originally a post for couriers to change horses and have a rest, is now a busy industrial city with more than 200 industrial enterprises. The city's annual

tax revenue has exceeded 120 million yuan (about 21 million U.S. dollars) in recent years.

Its fast development has won the city the title of "a pearl in the Gobi lands".

Aiqing, a veteran Chinese poet, said recently: "I fell in love with the city at first sight as it is so young and beautiful."

As a result of accelerated prospecting of oil in the Tarimu basin, Korla has become a commodity distributing center south of the Tianshan mountains, one of the country's biggest and highest ranges.

It is eventually expected to become an oil industrial city, as the construction of a group of oil refining and petrochemical plants is in fast progressing. More than 800 work and liaison offices have been set up there already by enterprises from across the country.

Guitun city, which is intended to boost the economy in the north Tianshan mountains, has been investing some 10 million yuan a year since 1986 to improve its infrastructure.

In the past decade, a higher than 20 percent growth rate has been maintained in the city's gross domestic product, industrial and agricultural output value, and local revenue.

To take advantage of the continuing increase in oil output and the fast development of the region's oil industry, Dushanzi city in northern Xinjiang has expanded its oil refining industry to make it capable of producing more than 400 million yuan (about 70 million U.S. dollars) a year in pre-tax profits.

In addition, the city has set up an ethylene plant to boost its petrochemical industry by utilizing locally-produced low-cost oil.

Following the nationwide reform and opening-up drive, an increasing number of border outlets has been established and opened in the region.

In the border city of Huiyuan alone, more than 20,000 people a day pass in or out through the local customs post and some 400 to 600 vehicles. Construction of an international trading center was inaugurated there in August this year.

The customs department in the border city of Alashan has a yearly handling capacity of two million tons of cargo. More than 500 million yuan (about 86 million U.S. dollars) from over 320 companies has been invested in infrastructure and urban construction there.

With cities and towns mushrooming in the vastness of Xinjiang, the region is expected to have more and more barter trade centers.

Bao Xin 'Letter' Repudiates Taiwan's New Policy

HK1512055793 Beijing LIAOWANG in Chinese No 49,
6 Dec 93 p 46

[“Letter From Beijing” by Bao Xin (7637 0207): “Refuting the ‘Phased Two Chinas’ Fallacy”]

[Text] Dear Brother:

The Seattle Conference of the Asia-Pacific Economic Cooperation [APEC] organization had barely concluded when a senior official of the Taiwan “Ministry of Economic Affairs” hastily made a “policy demonstration” on cross-strait relations and Taiwan’s position, while openly stating that a so-called policy would be adopted of “two Chinas as a phase in a process leading toward one China”. Immediately after this, the Taiwan “Ministry of Foreign Affairs” made a written statement on the issue, saying that mainland China and Taiwan were “two international legal persons, neither of which is subordinate to the other, with each advocating its own sovereignty in the international community,” and so forth.

People here believed it to be a grave measure taken by the Taiwan authorities in deviation of the one-China principle, and this policy trend has aroused the close concern and vigilance of the people in Taiwan and mainland China, as well as of all personalities at home and abroad who show concern for China’s reunification.

All signs show that the surfacing of this important policy trend of the Taiwan authorities was by no means accidental. For a long time, some people among the Taiwan authorities have been ambiguous and wavering in their attitude toward the principled issue of adhering to one China and opposing “Taiwan independence.” They have been strongly criticized by public opinion, both on the island and beyond, and by relevant figures, and have had an effect on the island’s political stability, as well as on improvement in cross-strait relations. Under pressure, the Taiwan authorities in early August last year entrusted their “Committee for National Reunification” with making a show of adhering to the one-China principle; consequently, the political disputes on the island tended toward pacification. It is based precisely on this important prerequisite that progress has been made in routine cross-strait negotiations since August last year, especially, the two sides’ authorizing the meeting of the top responsible persons of their non-government organizations—referring to the Wang-Gu talks in Singapore—with positive results that signaled an important historical step forward in the development of cross-strait relations.

Nevertheless, facts in the wake of the talks showed that the Taiwan authorities not only had stopped making progress, but had retrogressed on the issue of one China. The most obvious example was its sparing no effort to loudly advocate “returning to the United Nations.” When this attempt failed—having met with a strong rebuff from mainland China and the firm opposition of the overwhelming majority of UN members—Taiwan’s

“Minister of Foreign Affairs” had the audacity to say: “From now on, we should talk less about the one-China policy; to talk any further about “one China” will only strangle us.” Shortly after the conclusion of the recent APEC Conference, the Taiwan authorities—through a high-ranking official of their “Ministry of Economic Affairs”—dished up the so-called “two Chinas as a phase in a process leading toward one China” fallacy. Eventually, they “said and put it clearly what we did not have the courage to say aloud over the past 40 years.”

People may want to ask why the Taiwan authorities should have chosen the timing of the conclusion of an international conference to dish up such an important “policy demonstration” through the mouth of an official of the “Ministry of Economic Affairs”? First, because the Taiwan authorities were unwilling to reduce themselves to being representatives of a regional economic body, but wanted to show off their status as a “sovereign state” in the capacity of an “international legal person” on an equal footing with the other participants. However, just as an overseas paper stated, the status of an “international legal person” could not be self-claimed, but would call for recognition by the “International Court of Justice.” Second, under the pretext of refuting CPC concepts, they were attempting to bewilder and win support of the international community with the fallacy of “two Chinas as a phase in a process leading toward one China.” Third, it was not appropriate to have an official from the “Ministry of Economic Affairs” give such an important policy demonstration; nevertheless, it has betrayed the weak mentality of the Taiwan decision makers, which characterized by evasiveness.

As for the essence and danger of such a fallacy, it will not be difficult to find the answer as long as we take a look at the reactions of the government and the public since it was dished up.

As soon as the fallacy was presented, some Taiwan independence elements promptly expressed their approval, but believed the policy did not go far enough in the “change,” while advocating that the Taiwan authorities explicitly express where they stood, give up “one China,” and take the “one China, one Taiwan” position by saying that “the concept of two Chinas shows that it will continue to be perplexed in the international community; the only way out lies in the concept of ‘one China, one Taiwan,’ which will turn Taiwan into a genuinely independent state.” This Taiwan independence attitude serves very well to prove that there is no essential difference between the Taiwan authorities’ fallacy of a “phased two Chinas” and the Democratic Progressive Party’s “Taiwan Independence” concept.

Of course, there are more people who are anxious about this policy demonstration by the Taiwan authorities. Public opinion on the island believes that in light of the change from the call for “two political bodies” to the current call for “two sovereign states, neither of which is subordinate to the other,” such a policy will succeed only in confusing people, but is sure to meet firm opposition

from the people of Taiwan and mainland China, and will not be recognized by the international community.

In a nutshell, to adhere to one China or to pursue "two Chinas," or "one China, one Taiwan" is matter of principle which has a bearing on China's reunification or long-term separation, as well as a matter of vital importance for Taiwan's fate and future. Taiwan's decision-makers should wake up to the truth, and by no means

should they overestimate their own strength while underestimating the strength of the entire Chinese people, including the 20 million people on Taiwan. Should they be bent on going their own way, they eventually will be rejected by the people, penalized by history, and stand condemned by the Chinese nation.

Sincerely yours,

[Signed] Bao Xin

[Dated] 29 November

Spokesman: Li Not To Comment on Cross-Strait Talks

OW1412085593 Taipei CNA in English 0822 GMT
14 Dec 93

[By Sofia Wu]

[Text] Taipei, Dec. 14 (CNA)—President Li Teng-hui has no plans to comment on the "Taipei round" of cross-strait talks scheduled for Dec. 18-23, a presidential office spokesman said Tuesday [14 December].

"President Li will not comment on the event because the talks are not expected to touch on any political or policy issues," Raymond Tai, deputy secretary-general to the president, told a regularly scheduled news conference.

The "Taipei round" of talks are functional and nonofficial and will focus on nonpolitical technical issues arising from increasing cross-strait exchanges, Tai explained.

Asked whether Li will meet with mainland Chinese delegates to the talks, Tai said the Presidential Office has not yet received any application for such meeting from the Straits Exchange Foundation (SEF), the host of the forthcoming talks.

An 11-member mainland delegation, to be headed by Sun Yafu, deputy secretary-general of the Beijing-based Association for Relations Across the Taiwan Strait (ARATS), is scheduled to arrive in Taipei Dec. 17 for talks with SEF officials.

It will be the first SEF-ARATS meeting in Taipei since Taiwan began to allow civilian cross-strait exchanges in the late 1980s. Previous cross-strait talks were held either on the mainland or in a neutral location such as Hong Kong and Singapore.

The Taipei talks will focus on repatriation of illegal mainland immigrants and hijackers, ways to resolve cross-strait fishing disputes, and simplification of procedures for exchanges of visits by SEF and ARATS personnel.

Both SEF and ARATS are semi-official organizations founded by their respective governments to handle cross-strait exchanges in the absence of official contacts.

Meanwhile, the Mainland Affairs Council will issue background information on the forthcoming meeting Tuesday evening explaining why previous talks failed to reach agreement on the above-mentioned issues and the possible impact on the future cross-strait relations if agreements can be reached during the Taipei talks.

Mainlanders To Be Allowed To Work Legally

OW1312095893 Taipei Voice of Free China in English
0200 GMT 1 Dec 93

[From the "News" program]

[Text] The government has decided to abandon controversial articles pertaining to security and allow mainlanders with legal permits to work here, the Mainland Affairs Council [MAC] has stated.

During a meeting, the cabinet-level MAC agreed that the spy articles will affect cross-strait relations and hurt the government's image in the international community. MAC Vice Chairman Kao Kung-lian explained that national security, though still a prime concern of the government, should not be a part of Taiwan-Mainland Relations Act that aims to permit cross-strait exchanges. Kao added that the Ministry of Justice will examine other relevant laws where the security articles can fit in too.

The security articles, often known as the so-called spy articles, are designed to regulate foreign intelligence activities on Taiwan. Violators of the code face prison sentences of up to five years and penalty of up to 1 million new Taiwan dollars.

Taipei Increases Overseas Investment in 1993

OW1412084693 Taipei CNA in English 0744 GMT
14 Dec 93

[By Danielle Yang]

[Text] Taipei, Dec. 14 (CNA)—Taiwan invested US\$156.546 million in Vietnam during the first 12 [number as received] months of 1993, a tenfold increase over a similar period of 1992, according to investment commission statistics released Tuesday [14 December].

Taiwan investment in the Philippines during the period totaled US\$5.336 million, up 338 percent from a year earlier, while investment in Singapore reached US\$66.879 million, an 851 percent growth from the 1992 level, the statistics showed.

Meanwhile, newly approved indirect investments in Mainland China via Hong Kong during the period amounted to US\$1.03 billion, with most of the capital going to Shanghai, according to the statistics.

Government To Supply Loans to Vietnam

OW1412091893 Taipei CNA in English 0826 GMT
14 Dec 93

[By Lilian Wu]

[Text] Taipei, Dec. 14 (CNA)—Taiwan will offer US\$10 million in loans to Vietnam to help the Indochinese country establish an industrial development fund for use by Taiwan investors, officials from the International Economic Cooperation Development Fund (IECDF) said Tuesday [14 December].

The fund is expected to be used by Taiwan investors to develop four or five industrial zones in Vietnam over the next five years. The zones would be able to house 250 Taiwan-invested firms.

IECDF officials said the industrial development fund will only supply financial aid to Taiwan contractors responsible for the design and construction of the industrial zones.

The Vietnamese Government will be responsible for all infrastructure construction.

One of the Taiwan-invested industrial zones that has applied for use of the fund is in Hanoi. The Hanoi industrial zone will accommodate 35 Taiwan manufacturers in 40 hectares and Taiwan manufacturers will be able to rent and stay in the zone for 70 years.

IECDF earlier provided US\$20 million loan to the Philippines for the development of its Subic Bay industrial zone.

IECDF is a government fund established in 1989 to help friendly nations to develop their economies.

Defense Ministry Shuffles 'Political Warfare Heads'

OW1312074093 Taipei CHUNG KUO SHIH PAO in Chinese 1 Dec 93 p 1

[Text] A Defense Ministry spokesman made the following announcement on 30 November: Approved by the President, Tu Chin-jung, deputy director of the Defense Ministry's General Political Warfare Department and Executive Officer was transferred to become director of the supervision department; he is succeeded by Li Jui-hua. Both Hsiung Te-chuan, director of the Chung Shan Institute of Science and Technology's Political Warfare Department, and Shih Tso-ching, director of the Military Management Department, were transferred to become deputy directors of the General Political Warfare Department.

The above personnel orders take effect on 1 December. The reshuffling followed the president's recent approval of a one-year extension of the term of Yang Ting-yun, director of the General Political Warfare Department. Of the personnel reshuffling, Tu Chin-jung's succession to the post of the director of the Supervision Department, which has been left vacant for eight months, has attracted most attention. Kao Chung-yuen, director of the Air Force General Headquarters' Political Warfare Department, was transferred to become deputy commander of the Combined Service Forces; he was succeeded by Sun Kuo-an, chief of staff of the Air Force General Headquarters.

Lieutenant General Tu Chin-jung, the newly appointed director of the Supervision Department, born in 1932, is a native of Chechiang [Zhejiang]'s Tungyang (Tongyang) County. He was a graduate of the Army Officer School, from the 1955 class; of the Army's Chief of Staff Institute of the Three Armed Services University; and of the Warfare Institute. He had been a division commander, department head, deputy commander, deputy head, deputy director and executive officer of the General

Political Warfare Department. Former director of the supervision department Tang Fei succeeded the post of the general commander of the Air Force eight months ago.

Lieutenant General Li Jui-hua, the newly appointed deputy director and executive officer of the General Political Warfare Department, born in 1934, is a native of Chiangsi's (Jiangxi) Nanchang City. He was a graduate of the Political Warfare School, from the 1956 class; of the Army's Chief of Staff Institute of the Three Armed Services University; and of the Warfare Institute. He had served in the division, army, army group, at the Kinmen Defense Command, had been director of the Army Headquarters' Political Warfare Department; he was transferred to the post of the deputy director of the General Political Warfare Department a month ago; his post as director of the Army Headquarters' Political Warfare Department was succeeded by Lieutenant General Huang Wei-sung, former director of the Political Warfare Department at the Three Armed Services University.

Lieutenant General Hsiung Te-chuan, the newly appointed deputy director of the General Political Warfare Department, born in 1934, is a native of Chiangsi's (Jiangxi) Nanchang. He was a graduate of the Political Warfare School, from the 1956 class of the political research department. He had served in the division, army, army group, military police command, and had been the director of the Chung Shan Institute of Science and Technology's Political Warfare Department. His post as director of the Chung Shan Institute of Science and Technology's Political Warfare Department will be succeeded by Lieutenant General Lin Tien-[word indistinct], deputy director of the Army General Headquarters.

Lieutenant General Hsi Tso-ching, the newly appointed deputy director of the General Political Warfare Department, born in 1936, is a native of Anhui's Huaining County. He was a graduate of the Political Warfare School, from the 1956 class. He had served as director of the political warfare department in division- administrative zone. He presently holds the post of director of the political warfare department at the military administrative zone as well as the director of the political warfare department at the coastal patrol command.

Lieutenant General Chou Jung-sheng, director at the Defense Ministry's Welfare Headquarters, will be transferred to become the director of political warfare department at the military- administrative zone and at the coastal patrol command. Lieutenant General Wei Chia-ching, vice president of the Political Warfare School, will become director of the Welfare Headquarters.

Lieutenant General Kao Chung-yuen, the newly appointed deputy general commander of the Combined Service Forces, was a graduate of the 37th class of the Air Force Officer School. He had served as squadron head and head of supervision. Sun Kuo-an, the newly

appointed director of the Political Warfare Department of the Air Force Headquarters, was a graduate of the 42d class of the Air Force Officer School.

The greatest feature of the current reshuffling of the political warfare heads is that the three new deputy directors of the General Political Warfare Department are all the classmates of the 1956 class of the Political Warfare School. The current reshuffling is expected to affect the transfers of many major-generals and colonels who head the political warfare departments.

Taipei Approves 13 New FM Radio Stations

OW1312082893 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 9 Dec 93

[Interview with Hu Fu, National Taiwan University professor, by (Yuan Dong), China Broadcasting Corporation News Network reporter, at the Government Information Office; date not given—from the "Hookup" program]

[Text] The ban on operating FM radio channels has been lifted. A total of 13 radio broadcasting stations have received approval to operate FM radio channels. National Taiwan University Professor Hu Fu, who sat at a panel to examine the applications for the operation of new FM channels, described the opening a good thing for the people and a major event in the past 40 years. He also termed the opening a most significant liberalization move since the lifting of the martial law. (Yuan Dong) reports.

[Begin recording] [(Yuan Dong)] Thirteen members of an evaluation panel who were charged with the task of approving the applications for operating new FM radio channels have finally reached their decision following a total of 14 lengthy meetings over a period of 11 months. The examination panel approved the applications of the following 13 private operators of radio stations. They

are: The Voice of Taipei Broadcasting Station; the Cheng Sheng Broadcasting Station; the Taiwan All-People Broadcasting Station; the People Broadcasting Station; the Taoyuan Broadcasting Station; the New Life FM Broadcasting Station; the Taichung FM Broadcasting Station; the Taichung FM Broadcasting Limited Company; the Changhua FM Broadcasting Station; The Shengnung Broadcasting Station; the Ancient Capital Broadcasting Station; the Masses Broadcasting Station; and the Hualien FM Broadcasting Station. Professor Hu Fu, chairman of the evaluation panel, said the significance of government's allowing the establishment of new radio stations lies more in the news media's enjoying more freedom than in the government's making the first move in the past 40 years to lift the ban on the establishment of new radio stations.

[Hu Fu] You have been fighting for the freedom of the news media for many years. Now you have it. This is a very good thing. As this is the first opening in the past 40 years, it is extremely important.

[(Yuan Dong)] The scope of the current opening of FM frequencies ranges from 98 to 100 megahertz. The total number of open channels is 28. The Government Information Office stated that, since only 13 applicants have passed the qualification screening, it will, beginning next year, coordinate with the Transportation and Communications Ministry, accept secondary applications for the remaining 15 FM channels and additional 15 FM channels between 96 and 98 megahertz (30 channels in all). There is also plan to open more FM channels between 88 and 96 megahertz. Transportation and Communications Minister Liu Chao-hsuan said next year may be described as a year marked by the blooming of a hundred flowers in the news media. In addition to the opening of the AM and FM radio channels, the ban on the opening of television stations will be lifted and more cable television channels will be opened. This is further proof that the news media-liberalization policy has been fully implemented in Taiwan. [end recording]

Hong Kong

Government Introduces Political Reform Bill

HK1512103393 Hong Kong AFP in English 1026 GMT 15 Dec 93

[Text] Hong Kong, Dec 15 (AFP)—The Hong Kong government, ignoring angry threats from China, pressed ahead Wednesday [15 December] with democratic reforms in the run up to the 1997 handover, but still held out hope for more talks with Beijing.

In contrast with the explosive atmosphere that surrounds it, the plan was submitted to Hong Kong's assembly as an innocuous-sounding document—the Electoral Provisions (Miscellaneous Amendments) (No. 2) Bill 1993.

In a five-minute formality in the Legislative Council, Secretary for Constitutional Affairs Michael Sze said there was "broad community support" for the reforms.

Their aim, he said, was to ensure "fair and open" elections for new local-level and legislative councils in the run-up to Hong Kong's return to China in July 1997.

In its first reaction, the XINHUA NEWS AGENCY—which acts as Beijing's de facto consulate in Hong Kong—said the move was a serious step towards confrontation that would "create chaos" in the territory.

China had previously ruled out any more talks with Britain on Hong Kong's democratization, which began in April and broke down last month after 17 fruitless rounds.

It has also reiterated threats of taking back Hong Kong before 1997 if "turmoil" breaks out, and stepped up preparations for fresh—and potentially disruptive—elections immediately after 1997.

But Sze, fielding legislators' questions prior to submitting the bill, said Britain was still waiting for a reply from China after it had offered an 18th round of talks for later this week.

"Both governments (Beijing and London) owe the people of Hong Kong a smooth transition from now until 1997," he said.

The partial reforms would lower the minimum voting age to 18, scrap appointed seats in local councils and let Hong Kong members to China's National People's Congress run in any of the colony's elections.

It would also enshrine the principle of British-style, single-seat geographic constituencies in Hong Kong.

Patten, who first unveiled his reforms in his October 1992 policy address, has said the partial reforms must pass the Legislative Council by February 23 in order to prepare for local elections in September.

The bill now goes to committee before debate resumes in January.

'Repeated Admonitions' Disregarded

OW1512113293 Beijing XINHUA in English 1111 GMT 15 Dec 93

[Text] Hong Kong, December 15 (XINHUA)—The British Hong Kong authorities today introduced parts of Governor Chris Patten's political bill to the Legislative Council in disregard of the repeated admonitions from the Chinese side and Hong Kong people.

The Hong Kong Government Information Services (GIS) announced that the bill, which was moved to the Legislative Council this afternoon by the Secretary for Constitutional Affairs Michael Sze, provides:

For the use of the "single seat, single vote" method of voting for all three tiers of geographical constituency elections;

For the lowering of the voting age for all elections from 21 to 18 years starting from the 1994 district board elections;

For the abolition of appointed seats in both the district boards and municipal councils as from the next round of elections;

For the number of directly elected seats in the municipal councils to be increased from 1995, consequential to the abolition of the appointed seats; and

That Hong Kong residents who are members of China's people's congresses at various levels, provided that they meet all other qualifications, may be elected to and serve on the legislative council, the municipal councils and the district boards.

The Hong Kong governor has been criticized by local organizations and people from all walks of life for undermining the Sino-British talks on the 1994-95 electoral arrangements in Hong Kong by announcing on December 2 the gazetting of parts of his bill.

On April 7, Chinese Vice-Foreign Minister Jiang Enzhu told the British ambassador to China: "if the British side submits the so-called reform bill to the Hong Kong Legislative Council for discussion before any agreement is reached between China and Britain, it would be another illustration that the British side has not the slightest sincerity toward the talks and it would mean termination of the talks. And the responsibility lies not in the Chinese side."

XINHUA Statement Criticizes Submission

OW1512131793 Beijing XINHUA Domestic Service in Chinese 1202 GMT 15 Dec 93

[Text] Hong Kong, 15 Dec (XINHUA)—Regarding the submission today by the British Hong Kong authorities of parts of their draft constitutional reform package to the Legislative Council [Legco], a spokesperson for the XINHUA NEWS AGENCY's Hong Kong Branch issued the following statement:

In the absence of any agreement between the Chinese and British sides, the British Hong Kong authorities have officially submitted parts of their "constitutional reform" package to Legco in a flagrant manner. This is yet another grave step taken by them toward confrontation with China. Any election plan passed by Hong Kong's Legco under such circumstances is in violation of Sino-British agreements. Therefore, the Chinese side will not accept it.

This action by the British side shows that it has unilaterally terminated Sino-British talks, artificially creating chaos in the latter stage of Hong Kong's transitional period and erecting obstacles to smooth transition and the changeover of political power in 1997. The British Government must be responsible for all consequences arising therefrom.

The British side has now destroyed the basis for Sino-British cooperation. The Preliminary Working Committee [PWC] has entered the stage of substantive work. We welcome people from all social strata in Hong Kong who support the Basic Law and smooth transition to show more active support for and take a more active part in the PWC's work, as they work together to promote smooth transition and maintain Hong Kong's prosperity. We are confident that we can definitely realize the goal of "one country, two systems" and implement the various principles and policies outlined in the Basic Law after 1997.

Governor Criticized by '50-Plus Organizations'

OW1512114193 Beijing XINHUA in English 1113
GMT 15 Dec 93

[Text] Hong Kong, December 15 (XINHUA)—Over 70 representatives from 50-plus organizations in Hong Kong Tuesday [14 December] voiced their opinions on the current political situation in the territory and accused Governor Chris Patten of sabotaging the Sino-British talks by tabling his bill to the Legislative Council.

They made the remarks at a symposium hosted by the Hong Kong island office of XINHUA NEWS AGENCY Hong Kong branch.

They said the British side should be held responsible for the consequences of its action.

They supported the Chinese decision to accelerate the work of the Preliminary Working Committee of the Preparatory Committee for the Hong Kong Special Administrative Region and suggested establishment of consultancy bodies to solicit opinions from the local residents.

They also proposed the publicity of the Basic Law should be strengthened to ensure the smooth transition of Hong Kong.

These representatives included members of the Chinese National People's Congress and the National Committee

of the Chinese People's Political Consultative Conference, District Board chairmen and members, Urban Council members, neighborhood and native club members as well as those from the industrial and commercial circles.

Chris Patten introduced his bill on electoral arrangement to the Legislative Council this afternoon.

Official Says UK Policy To Hurt Business Interests

HK1512133193 Hong Kong TA KUNG PAO in Chinese
15 Dec 93 p 2

["Special dispatch": "Chen Ziyang Reiterates China's Policy Toward Hong Kong and the Aim of Maintaining the Territory's Prosperity and Stability"]

[Text] Beijing, 14 Dec (TA KUNG PAO)—Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office, today accused the British side of unilaterally wrecking the Sino-British talks and undermining the "through train." This, he said, is not something that the Chinese side wished to see. He reiterated that the Chinese side will regard preserving Hong Kong's prosperity and stability as the objective of its policy toward Hong Kong.

He said: Though the British side refuses to cooperate, the Chinese side will continue to carry out the relevant policies. He did not understand why the British side should have adopted a policy that is detrimental to all sides, including itself.

While meeting with a visiting delegation from the Hong Kong Taiwan University Alumni Association in Beijing today, Chen Ziyang said: Earlier, the Chinese side did not want to get involved in Hong Kong's 1994/95 electoral arrangements, but we later expressed our willingness to hold talks with the British side over the matter so that the election results would remain valid after 1997. We have shown sincerity and have made great efforts. Regrettably, the British side broke their promise, wrecking and suspending the talks and undermining the "through train" to 1997. Because this is the British side's unilateral act, they are to blame for it.

He added: The Chinese Government will preserve Hong Kong's prosperity and stability and considers the objective of its policy toward Hong Kong. We hope to cooperate with the British side. Though the British side refuses to cooperate with China at present, China will still manage to solve the problems. We have no choice but to work hard on our own to achieve the goal as soon as possible. We will see to it that the Preliminary Working Committee steps up its work and will do our best to minimize the undesirable consequences arising from the British side's decision to unilaterally suspend the talks.

He continued: If the British side holds on to its present position, refusing to cooperate with China or give up its

unfriendly attitude, Sino-British cooperation will inevitably be affected. He said he did not understand why the British Government should have adopted such a policy at a time when Western countries were trying to expand their market share in the Far East.

He said: Although British firms are basically private commercial enterprises and are immune from sanctions, the British Government's policies will prevent them from freely developing economic relations with China.

Again, Chen Ziyang pointed out: It is "hardly fair" for the Hong Kong Government to refuse to acknowledge diplomas granted on the mainland, Taiwan, and other regions. He hoped the situation would be gradually improved. Of course, he said, it is not appropriate for China to interfere now, because Hong Kong will remain under British rule until 1997.

United Democrats Head on Defending Public Interests

HK1412024593 Hong Kong SOUTH CHINA MORNING POST in English 14 Dec 93 p 6

[By Louis Ng]

[Text] United Democrats chairman Martin Lee Chumming said yesterday that legislators would strive harder to defend public interests if there was no "through-train" arrangement for those elected in 1995 to serve beyond 1997. "If those elected in 1995 want to be elected in 1997 again, they must try their best," he said yesterday after returning from a trip to North America. "How can one be appreciated by the public if he or she always follows Beijing's wishes?" he said.

Stressing that it would be best to have the "through-train" arrangement under a democratic system, Mr Lee said it was better to have no agreement than a bad agreement. He said the district boards and the two municipal councils should not be subject to reelection in 1997, even if there was no through-train arrangement.

Mr Lee was responding to the comment made by the director of the State Council's Hong Kong and Macao Affairs Office, Lu Ping, who warned that not only legislators but also district board members and municipal councillors would not ride the through-train if China and Britain failed to strike a deal. "The Basic Law did not touch on whether the district boards and the municipal councils should have through-train arrangements or not," Mr Lee said. "The Basic Law only promises clearly that any existing legislation which does not contravene the Basic Law itself will remain effective."

He said as the Basic Law did not mention the composition of both the two municipal councils and the district boards, members there should be allowed to sit through 1997 without further examination.

Mr Lee warned that China would damage Hong Kong's stability with its vehement reaction to Governor Chris Patten's tabling of his political reform bill in Legco [Legislative Council].

On his return to Hong Kong yesterday, Mr Lee said he had met senators and congressmen of both the American and Canadian parliaments and had discussed the latest developments in the territory. He denied that his trip was a move to solicit international support to pressure the Government for a faster pace of democratisation, as the Hong Kong issue had already caused widespread concern in both countries.

Meanwhile, in an interview with China Central Television yesterday, Mr Lu said the most immediate issue to be tackled by the political sub-group of the Preliminary Working Committee (PWC) would be the detailed arrangements for forming the first post-1997 legislature.

As all the sub-groups under the PWC had already decided on their work plans, the next step was for them to move into the concrete preparation work to research and formulate proposals, he said. Mr Lu said China still hoped that the two countries could cooperate as it would be conducive to a smooth transition. "However, it is because of lack of sincerity on the British side that the talks broke down," he said. "From the Chinese side's point of view, we don't just look at the next 3 and 1/2 years of transition, we have to look beyond.... so that in the next few decades or even the next century, Hong Kong can maintain its long-term stability and prosperity."

Commentary Views UK Political Reform 'Tactics'

HK1312103093 Hong Kong HSIEN PAO in Chinese 8 Dec 93 p 2

["Short Political and Economic Commentary" by Lin Hsing-Chih (2651 5887 5887): "Openly Seek Fair Judgment, It Is Unreasonable to Keep Things in the Dark"]

[Text] The Sino-British Joint Liaison Group is holding its 28th round of talks in London and the atmosphere before the meeting is quite harmonious. We do not know what is on the agenda, but it appears that the two sides can still hold talks on other Hong Kong issues though they cannot reach agreement on political reform. Since the two sides can use reason to discuss problems, we, instead of giving up all hope, still believe that the two sides are likely to hold a new round of talks on political reform.

Since Chris Patten was appointed Hong Kong governor, there has been a subtle change in Sino-British relations. In the past, when British "China experts" played a dominant role in handling disputes with China, the British side seldom disclosed information about the talks. When the Chinese side occasionally flew into a rage, the British side kept silent, giving the public the

impression that the British side accommodated itself to the Chinese side in every possible way and was unable to hit back.

However, Chris Patten has responded defiantly when the Chinese side has broken into abuse. Though he has not been as desperate as the Chinese side, which is made possible by the characteristic British disposition toward understatement, this does not mean that he left some leeway, but rather indicated that he used other tactics. The two sides recently parted acrimoniously after holding 17 rounds of talks on political reform. This time, the British took the initiative in "criticizing" the other side. British Foreign Secretary Douglas Hurd said publicly in Parliament two days ago that the British side had devised for "a fair and open electoral system which is very important to Hong Kong's economic development." The electoral system devised by the Chinese side, he said, is "open to manipulation and corruption." Yesterday, Chris Patten claimed that the Preliminary Working Committee (PWC) enjoyed less credibility than the Legislative Council.... The fact that the British side does not want to keep silent any more, which is contrary to the way it used to behave, shows that it was very dissatisfied with China's attitude toward the talks on political reform in Hong Kong.

Douglas Hurd's remarks are not unreasonable. By these remarks he also partly explained why the British Government has only introduced partial democracy in Hong Kong several years prior to its withdrawal. The Chinese side, pro-communists, and some Hong Kong people who know little about Hong Kong's political system, presently believe that the British Hong Kong government has an axe to grind by taking such action. In the past, we have made, on the basis of the different impact of the British Parliament and China's NPC [National People's Congress] on Hong Kong, many analyses of the reasons why the British Government has gradually increased the number of elected members in Legco [Legislative Council] after it decided to return Hong Kong's sovereignty to China, so we will not dwell on the matter any more. However, for the same reason, we believe that the British Hong Kong Government's political reform plan is not deliberately provocative. Because the NPC is a puppet apparatus and the Chinese Government is an autocratic government in nature, it is impossible for Hong Kong people to directly make their opinions known to the central authorities; even if they can do so, there is no such political culture in China which subjects the central authorities to public opinion. In addition, because the Chinese Government's crude behavior toward the 1989 pro-democracy movement showed that China is not on the track of the rule of law, with corruption and other malpractices, such as appointing people through favoritism, entering by the back door, and taking human relations into account in every dealing, running rampant, it is necessary to increase the number of elected members and members representing various functional constituencies in Legco to ensure the government will continue to operate honestly and efficiently at a time when the Chinese Government is

directly concerning itself with Hong Kong affairs. (For conservative businessmen, this might be a "necessary evil") If we conclude from Chris Patten's political reform bill that the British Government wants to hand political power back to the people, we are overstating the fact. For Chris Patten's tabling of a partial electoral bill to Legco has, even more, nothing to do with returning political power to the people. If Britain did nothing to present a false picture of democracy by introducing political reform in the wake of the 4 June incident, it would feel uneasy and find it difficult to reassure the international community. This is why Chris Patten's political reform bill is supported by political parties in and out of government as well as most Western countries. This is also a root cause for Chris Patten, a politician who lost an election in Britain, who has suddenly become a hero in Britain.

Before the second full meeting of the PWC was held, apart from a report that Qian Qichen, PRC vice premier and foreign minister, would address the meeting, it was widely rumored that President Jiang Zemin would meet members of the committee. All this was designed to add weight to the PWC. However, Chris Patten directly challenged the Chinese side's political wisdom when he openly said that the PWC enjoys less credibility than Legco, whose status is not recognized by the Chinese side. This remark, which hit the nail on the head, also shows his determination to defend Legco and press ahead with political reform.

Since PWC members are all appointed by China, they have to give allegiance to the source of power and act as "royalists" or "fire fighters" former Legco members did. In the era when Legco members were appointed by the government, Legco was purely a rubber stamp and Legco members could only bully people by flaunting their powerful connections and did not enjoy popular support. Appointed PWC members are no different from former Legco members. While we will not discuss the personal abilities of individual PWC members, the PWC apparently cannot fully exercise its collective function for political reasons. Though they might have heated discussions behind closed doors, they will not speak their minds freely due to the CPC practice of what one person says goes and allowing no one to go beyond the basic line. "With the CPC's absolute authority prevailing," pooling the collective wisdom is of little use and since items on the agenda are all decided by the CPC, discussions only become a mere formality. This is why Chris Patten said that the PWC has less credibility than Legco, which now has elected members.

Since Chris Patten assumed the post of Hong Kong governor, the British Government has given up its past policy of refraining from challenging China, a policy of control through conciliation advocated by its "China experts." The tit-for-tat policy, which is now pursued by the British Government, might not exact concessions from the Chinese side, but it has served to demonstrate the British Government's viewpoint and has allowed the British side to gain the initiative on many matters and to

jettison its past indecision when faced with the Chinese Government. Chris Patten's tactics in dealing with the Chinese Government could become a major question for study for Western researchers and could be regarded as a classical example of bargaining with China. The fact that the Chinese side hates Chris Patten to the very marrow of his bones shows that his tactics are successful.

Beijing's 'New Moves' in Hong Kong Policy Viewed

HK1312150893 Hong Kong HSIN PAO in Chinese 10 Dec 93 p 30

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429) in Beijing on 8 December: "Beijing's New Moves on Hong Kong Policy"]

[Text] Seventeen rounds of Sino-British talks on the 1994/1995 elections in Hong Kong took place between last April and November in the absence of an accord. Under such circumstances, Hong Kong Governor Chris Patten announced, while answering questions at a meeting of the Hong Kong Legislative Council on 2 December, that a partial electoral reform bill would be gazetted on 10 December and submitted to the Legislative Council for discussion on 15 December. He stated that this action was a decision without any other option after consulting the British Prime Minister John Major, and he had already obtained consent from the British Government and the Hong Kong Executive Council.

Two days after the Hong Kong Governor took the aforesaid action, a spokesman from XINHUA NEWS AGENCY Hong Kong Branch indicated that the British side had taken a very grave step to deliberately jeopardize the talks and it signified the interruption of the talks in view of the fact that the Chinese side had made a solemn statement to the British side before the talks: "Should the British side table the electoral reform bill to the Hong Kong Legislative Council for discussion, that will once again prove the absence of sincerity on the British side and signify that the responsibility for the interruption of the talks does not rest with the Chinese side." Thus, the British side must bear the responsibility for all consequences arising thereof. A State Council Hong Kong and Macao Affairs Office spokesman reiterated that under the condition that the Chinese and British sides had not yet reached an agreement on the 1994/1995 elections in Hong Kong, the Chinese side would not accept any electoral bill adopted by the Hong Kong Legislative Council. After 1997, a new kitchen would be built according to the relevant stipulation in the Basic Law.

At the same time, the Chinese side held the Second Plenary Session of the Preliminary Work Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] in Beijing between 9 and 12 December, and the organizational method of the first SAR legislative council was included as an important item on the agenda.

Under such circumstances, how will the political situation develop in Hong Kong? Obviously, this depends on the British side, and more so on the Chinese side as to what action it will continue to take.

The CPC Views Chris Patten's Government Address as a Signal

A well-informed figure in Beijing disclosed that, as soon as Chris Patten presented his constitutional reform package in his first government address when he took office last October, the Chinese side had pointed out that the nature of the Sino-British dispute was not the issue of whether or not Hong Kong should enjoy democracy, but what was involved was the principle of converging with the Sino-British Joint Declaration, Hong Kong's constitutional structure, and the Basic Law, and the question of whether or not the agreements and understandings between the Chinese and British foreign ministers on the 1995 elections in Hong Kong were observed. On matters of principle, the Chinese side would never make any concessions. At the First Plenary Session of the PWC held in last mid-July, Deng Xiaoping's talks with then British Prime Minister Mrs. Thatcher on 24 September 1982 were reviewed; when Volume 3 of the *Selected Works of Deng Xiaoping* was published in early November, Deng Xiaoping's talks on the Hong Kong issue over the years were propagated anew. Without exception, these talks gave prominence to issues of principle, or, in another way of putting it, no concessions could be made on matters involving sovereignty, at the same time, it was required that people should heighten their vigilance and be somewhat prepared for the possibility of the British creating confusion in the latter transition period.

To unify thinking, the Chinese authorities commented on the fact that Chris Patten continued to insist on his "three violations" position in his second government address delivered in early October, and a commentary was relayed at every tier from the top down to the effect that "viewing the situation in Hong Kong today, Comrade Xiaoping eventually hit the nail on the head when he forecast the problems that might possibly surface during the transition period for Hong Kong. His great foresight has given us great enlightenment, it seems that the British were ready to stir up great trouble against us, and it is possible that the British Hong Kong Government might gradually cause confusion in Hong Kong. Both its diplomatic behavior and economic actions serve its policies. We must rely on the pillar force, unite the broad middle force, and reduce the damage that may surface to a minimum." In addition, the Chinese authorities have placed the fight against the British Hong Kong authorities on the agenda of the top echelon, and, while predicting some disturbances that might surface, augmenting the strength of the Hong Kong and Macao work committee, the front line headquarters, requiring it to report matters concerning Hong Kong directly to the supreme authorities when necessary.

Therefore, we can see that the Chinese authorities viewed Patten's second government address as a signal from the British side showing its cards to China.

Supreme Authorities Issue Five-Point Instructions

The well-informed figure said that when Chris Patten decided to break up his constitutional reform package and table it piece by piece in the Legislative Council, Lu Ping, the director of the State Council Hong Kong and Macao Affairs Office, relayed at a routine office meeting, a five-point instruction issued by the supreme authorities: namely, first, the fact that the British side had unilaterally terminated the talks was planned by the British Government and testified to the Central Committee's correct assessment of the British Government's strategy and tactics; second, the British had deliberately distorted the Sino-British Joint Declaration and openly insisted on denying the agreements and understandings reached between the Chinese and British foreign ministers, thus leading, consequentially, to jeopardizing the base of Sino-British cooperation; third, the key task today is to accelerate work of the PWC; fourth, now that the initiative lies with the Chinese Government, however, we should proceed from implementing the concept of "one country, two systems," eliminating British colonial influence and effects, and maintaining the lasting prosperity and stability of Hong Kong; and fifth, according to further British actions, the Central Committee is ready to take resolute measures, including considering anew the time and means of recovering Hong Kong, and by no means will the British side be allowed to prolong British colonial rule after 1997 and turn Hong Kong into an international city of political contention.

At the same time, relevant research organizations submitted a report on the legal basis of recovering Hong Kong ahead of schedule to the Central Committee and the State Council. The five-point legal grounds were namely: 1) The Chinese Government has never recognized the three unequal treaties that Britain forced the Qing Dynasty to sign in the wake of the invasion of China and the Opium War; 2) the Chinese Government is entitled to demand indemnities from the British Government for the loss of life and property as well as plunder by British forces during the invasion of China and the Opium War; 3) Britain has continuously done things in violation of the Sino-British Joint Declaration, which actually no longer plays any role; 4) the British side has openly declared that the agreements and understanding reached between the Chinese and British Government did not have any restrictive power, thus, in essence, negating the agreements reached between the two sides; and 5) the British side has unilaterally pursued a whole range of constitutional structures in violation of the Sino-British Joint Declaration, while continuously making false starts in the course of the talks between the two sides, thus making the talks ineffective.

The aforesaid five-point legal grounds basically fall in line with CPC General Secretary Jiang Zemin's discussions in early September of this year. (Please refer to 1 October issue of this paper) This shows that in the wake of reviewing Deng Xiaoping's talks with then British Prime Minister Mrs. Thatcher during their meeting in 1982, the Chinese authorities began to make serious considerations and arrangements for recovering Hong Kong ahead of schedule, though it is something the Authorities were unwilling to see.

Backdrop of Britain Changing Its Policy Toward Hong Kong

The well-informed figure added that the Chinese authorities were compelled to consider something that they had been unwilling to consider regarding the recovery of Hong Kong, and the arrangements for precautionary measures to deal with possible artificial confusion the British might stir up during the transition period were grounded on changes in British policies toward China and Hong Kong.

Why should Britain have changed its policies toward China and Hong Kong? According to analysis from a relevant research organization, the causes were twofold: first, the failure of the 19 August coup in 1989 evolved into the disintegration of the USSR and the collapse of the CPSU; the aforesaid fact strengthened the confidence of the British Government about reversing the Sino-British Joint Declaration after since the 4 June storm in Beijing in 1989; and second, facing an attempt by the U.S. Republican Administration to replace Britain in Hong Kong after the disintegration of the USSR, Britain was unwilling to leave matters at that and became active in making arrangements to implement a representative political system in Hong Kong [sentence as published] Under the meticulous planning and careful nurture of the British, Hong Kong "democrats" won 18 seats in the first direct elections to the Legislative Council in October 1991; thus, the British were determined to make full use of the several years before 1997 to mobilize pro-British forces in Hong Kong and utilize the international anti-China wave, especially American strength, to contend with Beijing. Thus, toward the end of 1991, Britain began to change its policy toward Hong Kong. When the Conservatives quite unexpectedly won the general election and continued in office in April 1992, John Major implemented the changed policy on Hong Kong.

So, it is inevitable that there will be much stormy weather in the latter transition period in Hong Kong. Consequently, Hong Kong residents will have to face the problem of "racking their brains."

It is believed that an issue Hong Kong residents are weighing is whether it will be fortunate or otherwise for Hong Kong should the Chinese side build a new kitchen or recover Hong Kong ahead of schedule. A Beijing expert in Hong Kong and Macao affairs believes that China will not recover Hong Kong ahead of schedule

unless this was the last resort. As for the Chinese side building a new kitchen, this was inevitable with the failure of the talks on electoral reform; nevertheless, the new kitchen will not be independent of the framework of the Sino-British Joint Declaration and the Basic Law, because only when the Chinese side earnestly implements the one country, two systems concept and Hong Kong residents ruling Hong Kong will it be possible to continue Hong Kong's prosperity and stability.

Editorial Criticizes PRC 'Turmoil' Allegation

HK1312053093 Hong Kong SOUTH CHINA
MORNING POST in English 13 Dec 93 p 22

[Text] Hong Kong this week has to negotiate one of the most hazardous phases in the stormy relationship between Britain and China. Mr Patten plans to table in the Legislative Council his mini-reform bill, an event which China has warned will mean the end of the talks over the territory's future political arrangements. China raised the risk factor over the weekend by reviving Deng Xiaoping's threat of an early takeover in the event of turmoil. In China's view, the Governor's decision to push ahead with electoral reforms constitutes the kind of man-made chaos which might justify its intervention.

This is pure intimidation. There is no turmoil in Hong Kong. There is a crisis in Sino-British relations and as it comes to a head on Wednesday the level of nervousness in the territory can be expected to rise. But the relationship has reached crisis point before without triggering the patriarch's threat. And Hong Kong has its own dynamism, which enables it to absorb the shocks of political confrontation or to rebound quickly when it cannot absorb them. Witness the remarkable performance of the stock market, despite the tensions between the outgoing and incoming sovereign powers. Witness, too, the territory's growth in prosperity, and the way its financial and industrial integration with China continues without interruption.

If China's leaders genuinely harbor fears about turmoil in the territory they can put their minds at rest, as Mr Patten said yesterday in his calm reply to the takeover warning. But they should also give their threats a rest. They should remember that the factor most likely to promote uncertainty—and therefore threaten to produce the kind of strife to which Foreign Minister Qian Qichen referred at the weekend—is bullying megaphone diplomacy. Mr Qian's warning may be counter-productive.

It is too much to expect members of the Preliminary Working Committee to buck China's line on Hong Kong. But it is extraordinary that the committee should issue a communique at this volatile time endorsing Mr Deng's threat. The committee is meant to be helping to prepare the way for a smooth transition to Chinese rule in 1997, not increasing anxiety about the future course of events. It might also be expected to give China advice on how to ensure a smooth changeover. It was not doing much advising at the weekend.

Nor was Premier Li Peng being helpful when he linked political and economic factors by warning that Britain's "unfriendly and uncooperative attitude" over the talks made it impossible to rule out deterioration in relations in other fields. Some of the "other fields" like the new airport project and container terminal development are vital to Hong Kong's future growth, to the prosperity and stability Beijing has pledged to preserve. Mr Li's statement runs counter to the argument President Jiang Zemin pushed in his talks with President Bill Clinton on ties between China and the United States. It runs counter, too, to previous Chinese Government assurances on the territory's development. China has moved from reassuring the people of Hong Kong to threatening them as it threatens Mr Patten.

It is in China's tactical interest to see a certain amount of trouble and uncertainty in the territory early this week, to put pressure on Mr Patten to scrap his plan to table the reform bill. But Mr Patten's course of action has a sense of inevitability about it, given his very public commitment to democratic reform and the community support for his proposals concerning the "simple issues" on the negotiating table. The reforms are not contentious. The only controversial matter is ordering the single-seat, single-vote system for the 1995 Legco elections. Yet China opposes them vehemently. China and Britain are not far apart so much on the technicalities of the voting age, the voting system and appointments to local councils; they are divided by their attitudes to one another.

As they enter this critical week, however, China and Britain should remember one fundamental point: It is a third party—the third leg of the stool—that will suffer if they cannot conduct themselves in a civilized manner. Is it really too much to expect that they might think of Hong Kong's interests before switching on the megaphones?

Overseas Chinese Federation Set Up in Hong Kong

OH 1312141893 Beijing XINHUA Domestic Service in Chinese 1402 GMT 5 Dec 93

[By reporter Zhan Xiang (6124 3276)]

[Text] Hong Kong, 5 Dec (XINHUA)—The Hong Kong Federation of Overseas Chinese, Returned Overseas Chinese From Other Countries, Their Relatives, and People of Chinese Origin [xiang gang hua qiao gu qiao qiao juan hua ren zong hui 7449 3263 5478 0294 2981 0294 0294 4187 5478 0086 4920 2585] was established today.

The federation, which was set up on the initiative of more than 200 personages, elected 38 directors to form its first board of directors.

Gu Xuanhui [0657 1357 6540], who was elected chairman of the federation board of directors, said at a news briefing: With the motherland behind it, Hong

Kong faces the world with favorable geographical conditions. Meanwhile, with the prosperity and development of Hong Kong and with the deepening reform and increasing prosperity of the motherland, more and more Overseas Chinese and people of Chinese origin will live or settle down in Hong Kong. According to incomplete statistics, more than 2 million Overseas Chinese, returned overseas Chinese from other countries, their relatives, and people of Chinese origin now live in Hong Kong, accounting for one-third of Hong Kong's population. Gu Xuanhui declared that the purpose of the federation is to "love our country, love our native places, love Hong Kong, and love Overseas Chinese."

"The motherland has entered a new period of vigorous development, and Hong Kong is approaching a historic turning point of returning to the motherland," said Gu Xuanhui. "At this crucial moment, Overseas Chinese, returned Overseas Chinese from other countries, their relatives, and people of Chinese origin should unite; develop the spirit of unity and mutual help; strive for and safeguard their legitimate rights and interests; vigorously set up and run cultural, educational, and welfare undertakings; promote economic and cultural exchanges, friendship, and cooperation among Overseas Chinese and people of Chinese origin; and make fresh contributions to Hong Kong's smooth transition in 1997 and its prosperity and stability as well as to the prosperity and peaceful reunification of the motherland and the prosperity of their native places."

According to the briefing, Zhou Weicheng, Chen Zhaoxiang, Chen Jinlie, and Yao Meiliang were elected deputy chairmen of the federation board of directors. The board of directors will consist of 14 committees, such as economic and trade, investment, legal counseling, liaison, and cultural and educational committees.

Home Visit Permits 'Might Be Replaced'

HK1412053093 Hong Kong T A K U N G P A O in Chinese
3 Dec 93 p 6

["Special dispatch": "The Democratic Alliance for the Betterment of Hong Kong Has Learned That Home Visit Permits Might Be Replaced by Passes After 1997 To Make Things Convenient for Hong Kong People To Return Home"]

[Text] Beijing, 2 Dec (T A K U N G P A O)—An official from the Ministry of Public Security said today that the home visit permits used by Hong Kong people might no longer be used after 1997, and that they might be replaced by passes so that it would be more convenient for Hong Kong people to enter the mainland.

Tian Qiyu, vice minister of public security, Mao Fengping, director of the Administration for Entering and Exiting the Country and concurrently director of the Administration for Border Defense, and Lu Botao, director of the General Office of the Ministry of Public Security, met the delegation of the Democratic Alliance

for the Betterment of Hong Kong, which is visiting Beijing, and discussed home visit permits, underworld activities, and other topics.

Tian Qiyu said: After Hong Kong is returned to the motherland in 1997, there will be changes in the management of home visit permits so that it will be more convenient for Hong Kong people to return to the mainland. The issue is being considered by the Ministry of Public Security, which is responsible for handling the matter, including the establishment of a computer network on both sides of the border, and the replacement of home visit permits by passes so that Hong Kong people commuting between China and Hong Kong will only have to be checked once at customs.

As to whether or not a person who is engaged in antigovernment activities will be able to obtain a pass, Tian Qiyu said: Some kind of control is necessary for people like Han Dongfang and Yao Yongzhan, but this is very different from the great majority of Hong Kong people, whose freedom to enter and exit the country will not be affected in the least. Moreover, Article 154 of the Basic Law provides that the central authorities will grant full power to the government of the special administrative region to carry out pertinent stipulations.

Lu Chi-chiang, member of the Democratic Alliance for the Betterment of Hong Kong, pointed out that, according to the official of the Ministry of Public Security, only a handful of people will be refused entry to the mainland, and the decision to deny their entry will be made according to several conditions. They will not be denied entry or have their home visit permits withdrawn just because they have made a few remarks. Rather, some sort of procedure must be completed, approval from relevant authorities must be obtained, and repeated investigations and study must be conducted before a decision is made. In addition, such a decision will not always be effective because there will be a validity period after which it will lose its binding force.

Regarding the underworld problem, Lu Chi-chiang said: The official of the Ministry of Public Security definitely said that the criminal underworld activities must be resolutely cracked down on. If members of underworld organizations enter China to engage in normal and lawful activities, they will be permitted entry by the Chinese Government, but if their conduct violates laws and regulations, they will be banned by the Ministry of Public Security.

He added: The Ministry of Public Security welcomes those who have given up evil and returned to good and who love Hong Kong and the motherland.

In addition, the Democratic Alliance for the Betterment of Hong Kong also expressed its views on the problems of road robbers, street beggars, freedom of the press, and corruption of mainland officials in the area of the Zhu Jiang delta.

Police Cooperation With Mainland Expanded

HK1512033793 Beijing XINHUA Hong Kong Domestic Service in Chinese 1358 GMT 3 Dec 93

[By reporter Wang Zhi 3769 3589: "Hinterland and Hong Kong Closely Cooperate to Crack Down on Criminal Activities"]

[Text] Hong Kong, 3 Dec (XINHUA)—It is now the end of the year and China's National Control Bureau of the International Criminal Police Organization (ICPO) and the Hong Kong Branch Bureau of the ICPO will soon hold their 18th work meeting in Hong Kong. The two sides will further strengthen their good cooperation relationship.

Since 1985, the two police forces have held two work meetings annually in Beijing or Hong Kong. Since the beginning of this year, both sides have made much progress in exchanging information, personnel contacts, sending criminals under escort, investigations, and obtaining evidence and a good momentum of cooperation has emerged. According to incomplete statistics, since May this year, the number of various kinds of letters and telegrams exchanged between the two sides reached 515, a total of 88 people from the hinterland side have visited Hong Kong on 13 occasions, and a total of 57 people from Hong Kong side have been to the hinterland on 25 occasions. In accordance with a request from the Hong Kong side, China's National Control Bureau of the ICPO, at the beginning of this year, sent two liaison officers to stay in Hong Kong to strengthen contacts and exchanges between the two sides.

Zhu Entao, director of China's National Control Bureau of the ICPO, who is in Hong Kong to attend this work meeting, told this reporter that from January to November this year, the hinterland turned over 17 criminals involved in serious cases to the Hong Kong police. The number last year was 15. The hinterland located and returned 24 luxury cars to the Hong Kong side. The number last year was 36. By September this year, the hinterland had arrested 23 Hong Kong drug traffickers who had trafficked in more than 1 kg each and had informed the Hong Kong side about most of them. It is precisely because of the close cooperation between the two places that the social order in Hong Kong has greatly improved. Statistics provided by the ICPO Hong Kong Branch Bureau show that from January to October this year, the number of criminal cases of violence in Hong Kong society dropped by 4.9

compared with the same period last year. The number of criminal cases in which guns were used and the number of cases in which luxury cars were stolen dropped abruptly by 46.2

and 45

respectively.

Thanks to effective measures by both police forces, smuggling activities using powerful speedboats, which

once bustled on the sea between Guangdong and Hong Kong, have tended to come to a halt. In September this year, the Guangdong Provincial Public Security Department concentrated the strength of the public security organs and the armed forces, encircled Fanhecun Bay in Huiyang with the suddenness of a thunderbolt, and captured, in one go, 23 speedboats which had been moored there to avoid attention. Before this, the Hong Kong police estimated that the total number of speedboats engaged in smuggling activities to and from Guangdong and Hong Kong was about 27 to 28. The operation in Huiyang has dealt a fatal blow to these kind of activities.

With the increasingly frequent economic exchanges between the two places, a new trend in cross-border economic criminal activities has emerged and is becoming ever more conspicuous. Some lawless elements, disguised as businessmen from Hong Kong, have colluded with one another and engaged in fraudulent activities in commerce and trade in the hinterland. They flee to Hong Kong after procuring enormous sums of money by fraud. Criminals within and outside the border also collude with one another to "launder" illegally obtained money in Hong Kong. China's National Control Bureau of the ICPO hopes to strengthen exchanges and to increase the law-enforcement ability in cracking down on international economic criminal activities through this meeting so that various economic crimes involving the two places can be put under joint control.

In an interview, Chen Shaoji, director of the Guangdong Liaison Office of China's National Control Bureau of the ICPO, and concurrently director of the Guangdong Provincial Public Security Bureau, said that in criminal activities in the world today, a transregional and transnational tendency has emerged. Cooperation between the police in the hinterland and Hong Kong has thus become particularly more important. Our standpoint is to provide a good social environment for the prosperity and stability, and for the smooth transition, of Hong Kong. As the date for Hong Kong's return to the motherland draws ever close, we will constantly strengthen our work in this respect.

Narcotics Bureau Seizes 14 Kg of Heroin

HK1312071993 Hong Kong THE STANDARD in English 13 Dec 93 p 6

[Text] Narcotics Bureau officers have charged a 32-year-old man with drug trafficking offences following the seizure of 14 kilograms of heroin yesterday. Police laid an early morning ambush outside a Ma On Shan residential flat and caught a man carrying 1.75 kg of suspected number four heroin. A full scale search of the apartment unearthed a further 12.25 kg, police said. The total street value of the haul was around \$5 million, a spokesman said.

The man will appear in Eastern Magistracy today charged with one count of trafficking in a dangerous drug and one count of manufacturing a dangerous drug.

POST Cuts Holding in Chinese Language Paper

HK1312054093 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 13 Dec 93 p 1

[By Gareth Hewett]

[Text] South China Morning Post [SCMP] (Holdings) has cut its interest in the Chinese newspaper WAH KIU YAT PO [OVERSEAS CHINESE DAILY] for \$20 million. [sentence as published] The company has sold the assets and business of the WAH KIU YAT PO division of the newspaper publisher to Goldbase Holdings. The consideration is to be settled in cash. SCMP Publishers and Kerry Group, a substantial shareholder in SCMP, will be represented in the venture with 19.8 percent and 30.2 percent of the issued share capital of Goldbase respectively.

A statement said: "The board of directors of SCMP believes that the consideration to be received for the sale of WAH KIU YAT PO division, which has been determined on an arm's length basis, is fair and reasonable."

Macao

'Friendly Cooperation' With Macao Noted

OW1012173893 Beijing XINHUA in English 1315 GMT 10 Dec 93

[Text] Macao, December 10 (XINHUA)—Latest statistics available here reveal that Macao continues to be prosperous and stable following the promulgation of the Basic Law regarding the territory's future earlier this year.

During the first nine months of 1993, the revenue of the Macao's Government reached 7 billion patacas (857 million U.S. dollars), a 3.2 percent increase over the same period last year.

The number of tourists visiting Macao in the first eight months of this year amounted to 5.32 million, up 3.8 percent over the corresponding period of the previous year.

Meanwhile, the amount of money deposited by the local residents increased by 5.1 percent during the first-six-month period of this year as compared with the whole year of 1992.

During the first half of 1993, the number of newly-established companies in the territory reached 830 with a total amount of registered capital valued at of 383 million patacas (47 million U.S. dollars).

The figures represented a 35 percent increase and a 49.7 percent increase respectively over the same period of 1992.

Besides, the economic, cultural, educational, and technological exchanges between Macao and the Chinese Mainland have remarkably increased since the beginning of this year.

Experts attributed the continuing prosperity and social stability following the promulgation of the Basic Law mainly to the friendly cooperation between China and Portugal.

Located in the south of China, Macao used to be part of China's territory and was taken over by the Portuguese in the 16th century.

After years of negotiations, China and Portugal finally signed a joint declaration in 1987, announcing that the 15.5-square-kilometer territory will be returned to China in 1999 under the condition that the existing social system and living style of the territory will basically remain unchanged.

In March, 1993, the Basic Law of the Macao Special Administrative Regions was adopted by the Chinese National People's Congress, the top legislative body in the country.

The adoption of the basic law is widely hailed as a result of the cooperations between the two countries and is warmly received by the people in Macao.

Earlier this year, a number of local members of the former Basic Law Drafting Committee and of the Basic Law Consultative Committee spontaneously formed the Association of the Basic Law of the Macao Special Administrative Region.

Designed to promote the Basic Law, the non-governmental organization is now working actively to try to bring home the contents of the law to all local residents.

Since the adoption of the Basic Law, the work of the Sino-Portuguese Joint Liaison Group (JLG) has also been accelerated.

The JLG's discussions on the three major issues relating to the transitional period in Macao is continuing.

The three issues are the official status of the Chinese language, the localization of laws and the localization of the civil service.

Certain progress has been achieved on the talks over the three major issues, said a source close to the JLG.

Since this year, the JLG has also set up three groups to solve the issues of note-issuing, aviation agreement and pension system for civil servants in the territory.

So far the two sides have reached agreement on some of the issues concerning the Macao international airport and certain documents have been signed, said a Chinese official of the JLG.

Discussions on an air transport agreement between Macao and a foreign country are also underway between the two sides.

All the efforts made by the two sides have ensured a smooth progress and development of the work on the project of the Macao international airport, the official said.

Work on the construction of the Macao international airport started in 1992. Covering a total area of 192 hectares, the 7.3-billion-pataca (893 million U.S. dollars) project, which is expected to be completed on a man-made island by 1995, is considered vital for the future development of the territory.

Due to the cooperations between the two sides, two-thirds of the work on the construction of the runway of the airport has reportedly been completed.

Analysts here pointed out that so long as the two sides can continue to cooperate on the basis of the Sino-Portuguese Joint Declaration and the Basic Law, the smooth transfer of power of the territory is sure to be secured, and prosperity and stability of Macao will be maintained.

Hunan Provincial Trade Fair Opens in Macao 14 Dec

OW 1412104593 Beijing XINHUA in English 0921 GMT 14 Dec 93

[Text] Macao, December 14 (XINHUA)—A five-day Hunan provincial trade fair opened here today.

On show are more than 1,940 varieties of commodities including light industrial products, drawnworks, minerals, grain and edible oil, medicines, native products and animal husbandry products.

The exhibits also include the famous Hunan embroidery and a group of newly-developed high-tech products.

Moreover, the province put forward over 30 investment projects to attract both domestic and overseas businessmen.

In recent years, Hunan has made rapid progress in the field of foreign trade.

At present, the province has set up two state-level large scale export-oriented production bases. It also boasts more than 2,000 export-oriented industrial firms.

Hunan now exports more than 1,500 varieties of products, of which the annual export volume of live pigs, rice, clothes, porcelain, tea and feather products has exceeded 10 million U.S. dollars respectively.

The province has established stable economic and trade relations with over 4,000 businesses of more than 140 countries and regions worldwide.

It has also set up 58 overseas firms in Hong Kong, Macao, Japan, the United States, Britain, Germany, Russia, Thailand and Singapore.

In 1992, Hunan's export volume to Hong Kong and Macao totalled 750 million U.S. dollars, accounting for 53.6 percent of the province's total.

The figure in the first ten months this year stood at over seven million U.S. dollars, exceeding last year's volume.

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16 DEC 1993